

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 Exchange Code 4530

May 2, 2024

(Start date of measures for electronic provision: April 26, 2024)

To Shareholders with Voting Rights:

Kazuhide Nakatomi
President & CEO
Hisamitsu Pharmaceutical Co., Inc.
408 Tashiro Daikan-machi, Tosu, Saga

**NOTICE OF CONVOCATION OF
THE 122ND ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We would also like to express our heartfelt sympathy to all those affected by the 2024 Noto Peninsula Earthquake and sincerely hope for the earliest possible recovery.

This is to notify you that the 122nd Annual General Meeting of Shareholders of Hisamitsu Pharmaceutical Co., Inc. (the “Company”) will be held for the purposes as described below.

In convening the General Meeting of Shareholders, the Company has taken measures for electronic provision and has posted the matters subject to electronic provision on the Company’s website. Please access the Company’s website below to see the information.

The Company’s website <https://global.hisamitsu/ir/shareholders.html>

In addition to the Company’s website, the matters subject to electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). When you access the TSE website, search for the Company by entering “Hisamitsu Pharmaceutical” in the “Issue name (company name)” bar or the Company’s stock exchange code “4530” in the “Code” bar, continue selecting “Basic information” and “Documents for public inspection/PR information” and choose “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection” to see the matters.

TSE website (Listed Company Search)

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

In lieu of attending the meeting, you may exercise your voting rights via electromagnetic means, including the Internet, or in writing. In this case, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

1. Date and Time: Thursday, May 23, 2024 at 10:00 a.m. Japan time
2. Place: Head office of the Company located at
408 Tashiro Daikan-machi, Tosu, Saga, Japan

3. Meeting Agenda:

- Matters to be reported:
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 122nd Fiscal Year (March 1, 2023 - February 29, 2024)
 2. Results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements for the Company's 122nd Fiscal Year

Proposals to be resolved:

- Proposal 1: Appropriation of Surplus
Proposal 2: Election of 9 Directors
Proposal 3: Election of 3 Corporate Auditors

(The details of the meeting agenda and other matters are stated in the following pages.)

4. Matters decided for convocation

- Items not stated in a document delivered to shareholders

The document delivered to shareholders also serves as a document that states the matters subject to electronic provision, which is delivered to shareholders who have requested a paper copy of it. In accordance with applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not included in it. Please note that the Corporate Auditors and the Independent Auditor have audited documents, including the following items.

- (1) Matters Regarding Share Acquisition Rights, etc. of the Company, Status of Independent Auditor, and Structure and Policy of the Company in the Business Report
- (2) Consolidated Statements of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
- (3) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company regards the appropriate return of profits to shareholders as one of the most important management issues.

With respect to dividends of surplus at the end of the fiscal year under review, upon comprehensively examining factors such as the performance for the fiscal year, dividend payout ratios and various management measures for the future in addition to taking into account the stable distribution of dividends to shareholders, the Company proposes to pay a dividend of ¥42.5 per share as follows. Accordingly, the annual dividend including an interim dividend of ¥42.5 will be ¥85 per share, an increase from the annual dividend of ¥84.5 per share for the previous fiscal year.

In addition, the Company recognizes the need to strengthen its financial structure to provide for the stable return of profits to its shareholders and future business development, and therefore intends to allocate ¥3.0 billion to general reserve as follows.

1. Matters concerning dividends of surplus

- (1) Allotment of dividend properties to shareholders and the total amount thereof
¥42.5 per share of the Company's common stock Total payment of dividends: ¥3,220,341,578
- (2) Effective date of dividends of surplus
Friday, May 24, 2024

2. Matters concerning appropriation of surplus

- (1) Surplus item to be increased and the amount thereof
General reserve ¥3,000,000,000
- (2) Surplus item to be decreased and the amount thereof
Retained earnings brought forward ¥3,000,000,000

Proposal 2: Election of 9 Directors

The terms of office of all 9 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests in the Company	
1	Kazuhide Nakatomi (June 30, 1972) [Reappointment]	April 1999 February 2007 May 2007 May 2009 May 2011 May 2014 May 2015 May 2019	Joined the Company Head of Corporate Strategy Planning Director & Executive Officer Managing Director & Executive Officer Senior Managing Director & Executive Officer Vice President & Executive Officer President & COO President & CEO (to present)	245,742	None
		[Reason for nomination as candidate] Mr. Kazuhide Nakatomi has extensive operational experience in the corporate strategy planning division, and took office as Director of the Company in 2007. He also has built track records as a corporate manager since he became Representative Director in 2015. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.			
2	Kosuke Sugiyama (April 28, 1952) [Reappointment]	April 1977 May 1999 February 2010 July 2012 May 2014	Joined the Company Director Director & Executive Officer Managing Director & Executive Officer Senior Managing Director & Executive Officer [In charge of Human Resources, Research and Development, and Corporate Strategy Planning] (to present)	13,000	None
		[Reason for nomination as candidate] Mr. Kosuke Sugiyama has extensive operational experience in the human resources division, and has been managing and supervising management in general, including human resources, since he took office as Director of the Company in 1999. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests in the Company	
3	Kyu Saito (June 10, 1963) [Reappointment]	April 1987 April 2009 May 2013 May 2023	Joined the Company Executive Officer Director & Executive Officer Managing Director & Executive Officer [Head of Global Business Strategy, Chairman of Hisamitsu America, Inc., President of Hisamitsu Pharmaceutical Technology Consulting (Beijing) Co., Ltd., President of Hisamitsu Pharmaceutical (China) Co., Ltd., President of Hisamitsu U.S., Inc., and Director of P.T. Hisamitsu Pharma Indonesia] (to present)	7,100	None
		<p>[Reason for nomination as candidate] Mr. Kyu Saito has extensive operational experience in the sales and corporate strategy planning divisions, and has been managing and supervising the overseas sales division since he took office as Director of the Company in 2013. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.</p>			
4	Nobuo Tsutsumi (March 11, 1964) [Reappointment]	April 1988 March 2010 May 2014	Joined the Company Executive Officer Director & Executive Officer [Management of Legal Affairs, Production, Quality Assurance & Pharmacovigilance, Compliance, and Director of Yutoku Pharmaceutical Ind. Co., Ltd. (part-time)] (to present)	5,200	None
		<p>[Reason for nomination as candidate] Mr. Nobuo Tsutsumi has extensive operational experience in the legal division, and has been managing and supervising legal affairs and compliance based on his high expertise since he took office as Director of the Company in 2014. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.</p>			
5	Shinichi Murayama (October 16, 1967) [Reappointment]	March 1991 March 2012 May 2014	Joined the Company Executive Officer Director & Executive Officer [Management of Internal Audit, Japan Subsidiaries, Director of Yutoku Pharmaceutical Ind. Co., Ltd. (part-time), and Outside Corporate Auditor of SANOFI-HISAMITSU K.K. (part-time)] (to present)	6,000	None
		<p>[Reason for nomination as candidate] Mr. Shinichi Murayama has extensive operational experience in the sales and corporate strategy planning divisions, and has been managing and supervising management in general, including as Executive Secretary of Chairman's Office, since he took office as Director of the Company in 2014. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests in the Company
6	Koji Takiyama (October 31, 1971) [Reappointment]	April 1994 May 2017 May 2021 May 2022 Joined the Company Executive Officer Senior Executive Officer Director & Executive Officer [Executive Secretary of President's Office, and Management of Digital Transformation (DX), and Sustainability Promotion] (to present)	3,035	None
[Reason for nomination as candidate] Mr. Koji Takiyama has extensive operational experience in the sales division and in the management of Hisamitsu Pharmaceutical Group companies, and has been managing and supervising management in general, including as Executive Secretary of President's Office, since he took office as Director of the Company in 2022. We believe he is suitable for continuing to serve as a Director of the Company, and nominate him as a candidate for Director.				
7	Yuichiro Anzai (August 29, 1946) [Reappointment] [Outside Director] [Independent Officer]	April 1988 October 1993 May 2001 May 2009 April 2010 June 2011 October 2011 April 2012 February 2018 April 2018 May 2020 July 2020 December 2020 Professor of Faculty of Science and Technology, Keio University, Professor of Graduate School of Science and Technology, Keio University Dean of Faculty of Science and Technology, Keio University Dean of Graduate School of Science and Technology, Keio University President of Keio University (Chair of the Board of Trustees of Keio University and the university president of Keio University) Advisor for Academic Affairs to Keio University (to present) Director of the Nakatomi Foundation (to present) Chairman of Japanese Association of University Physical Education and Sports President of Japan Society for the Promotion of Science (JSPS) Professor Emeritus of Keio University (to present) President of Kojunsha Club (to present) Senior Advisor to JSPS (to present) Director of Research Center for Science Systems, JSPS Outside Director of the Company (to present) Executive Director of The Tokyo Foundation for Policy Research Executive Director and Chief Executive Officer of The Tokyo Foundation for Policy Research (to present)	300	None
[Reason for nomination as candidate and summary of expected roles] Mr. Yuichiro Anzai, who has long served as a manager of a university, has a wide range of knowledge and experience, and we expect him to provide precise advice on the Company's management. Furthermore, there is no problem with his independence in relationship with the Company. We believe he is suitable for continuing to serve as an Outside Director of the Company, and nominate him as a candidate for Outside Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	Special interests in the Company
8	Tetsugo Matsuo (January 1, 1972) [Reappointment] [Outside Director] [Independent Officer]	April 2001 Joined Matsuo Construction Co., Ltd. June 2005 Managing Director of Matsuo Construction Co., Ltd. June 2006 President of Matsuo Construction Co., Ltd. (to present) June 2012 Outside Director of FM Saga Co., Ltd. (to present) June 2013 Outside Director of Saga Ube Concrete Kogyo Co., Ltd. (to present) May 2016 Chairman of Saga General Construction Association (to present) May 2020 Outside Director of the Company (to present) June 2023 Outside Director of New Otani Kyushu Co., Ltd. (to present)	1,900	None
[Reason for nomination as candidate and summary of expected roles] Mr. Tetsugo Matsuo has extensive experience and insight into overall management acquired as a representative director of a construction company, and we expect him to provide precise advice on the Company's management. Furthermore, there is no problem with his independence in relationship with the Company. We believe he is suitable for continuing to serve as an Outside Director of the Company, and nominate him as a candidate for Outside Director.				
9	Tamako Watanabe (January 26, 1982) [Reappointment] [Outside Director] [Independent Officer]	April 2004 Joined KPMG AZSA LLC May 2006 Registered as a certified public accountant April 2008 Joined ASG Tax Corporation August 2010 Registered as a certified tax accountant July 2011 Joined Odaki Accounting, Tax and Consulting General Manager of Tateyama Office September 2011 Registered as a licensed social insurance consultant July 2019 Established Itsuki Accounting Firm Representative (to present) May 2023 Outside Director of the Company (to present) December 2023 Outside Auditor of SHOEI CO., LTD. (to present)	0	None
[Reason for nomination as candidate and summary of expected roles] Ms. Tamako Watanabe has a wide range of knowledge and experience acquired as a certified public accountant, a certified tax accountant and a licensed social insurance consultant, and we expect her to provide precise advice on the Company's management. Furthermore, there is no problem with her independence in relationship with the Company. We believe she is suitable for continuing to serve as an Outside Director of the Company, and nominate her as a candidate for Outside Director.				

(Notes)

1. Messrs. Yuichiro Anzai and Tetsugo Matsuo and Ms. Tamako Watanabe are candidates for Outside Directors.
2. Messrs. Yuichiro Anzai and Tetsugo Matsuo and Ms. Tamako Watanabe, candidates for Outside Directors, satisfy the requirements of independent officers stipulated by Tokyo Stock Exchange, Inc., Nagoya Stock Exchange, Inc. and Fukuoka Stock Exchange, respectively, and the Company has notified these stock exchanges of them as independent officers.
3. At the conclusion of this General Meeting of Shareholders, Messrs. Yuichiro Anzai and Tetsugo Matsuo will have served for four years, and Ms. Tamako Watanabe will have served for one year as Outside Directors of the Company.
4. The Company has entered into agreements with Messrs. Yuichiro Anzai and Tetsugo Matsuo and Ms. Tamako Watanabe in accordance with Article 427, Paragraph 1 of the Companies Act, to limit the liability for damages set forth in Article 423, Paragraph 1 of the same act to the amount stipulated by laws and regulations. If this proposal is approved, the Company plans to continue the said agreements with them.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company, and all candidates for this election proposal will be insured under the contract. The insurance contract covers damages that may arise from the insured directors and officers assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability.

Proposal 3: Election of 3 Corporate Auditors

The term of office of Messrs. Nobuyuki Nakatomi, Munehiko Hirano and Keinosuke Ono, 3 of the total 4 Corporate Auditors, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three Corporate Auditors is proposed.

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

The candidates for Corporate Auditor are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	Special interests in the Company
1	Nobuyuki Nakatomi (September 7, 1940) [Reappointment]	September 1988 Joined Cable Television Kurume Co., Ltd. April 1990 President of Cable Television Kurume Co., Ltd. May 1999 Director of the Company May 2008 Corporate Auditor of the Company (to present)	250,200	None
	[Reason for nomination as candidate] Mr. Nobuyuki Nakatomi has long been engaged in management of Hisamitsu Pharmaceutical Group companies and has extensive experience of managing and supervising management of the Company in general as Director. Based on the experience, he has been auditing the Company since he took office as Corporate Auditor of the Company in 2008. We believe he is suitable for continuing to serve as a Corporate Auditor of the Company and nominate him as a candidate for Corporate Auditor.			
2	Munehiko Hirano (September 20, 1947) [Reappointment]	April 1974 Joined the Company April 1997 Head of Pharmaceutical Formulation Laboratories, Research and Development Headquarters of the Company February 2005 General Manager in charge of Pharmaceutical Formulation Technology, Research and Development Headquarters of the Company May 2006 Corporate Auditor of the Company (to present)	2,300	None
	[Reason for nomination as candidate] Mr. Munehiko Hirano has extensive operational experience in the research and development division. Based on the experience, he has been auditing the Company since he took office as Corporate Auditor of the Company in 2006. We believe he is suitable for continuing to serve as a Corporate Auditor of the Company and nominate him as a candidate for Corporate Auditor.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	Special interests in the Company
3	Ryusuke Itakura (November 17, 1955) [New Appointment] [Outside Corporate Auditor] [Independent Officer]	<p>March 1979 Joined the Mitsui Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2006 Executive Officer and General Manager of Consumer Loan Dept. of Sumitomo Mitsui Banking Corporation</p> <p>April 2007 Executive Officer and Deputy Head of Consumer Banking Unit (in charge of West Japan) of Sumitomo Mitsui Banking Corporation</p> <p>June 2009 Representative Director and President of SMBC Guarantee Co., Ltd.</p> <p>June 2013 Representative Director and President of Muromachi Building Service Co., Ltd.</p> <p>May 2019 Director of Tanioka Gakuen Educational Foundation (to present)</p> <p>June 2019 Outside Audit & Supervisory Board Member of Futaba Industrial Co., Ltd.</p>	0	None
<p>[Reason for nomination as candidate]</p> <p>Mr. Ryusuke Itakura has knowledge of finance he acquired over many years in the financial industry and experience as a corporate manager. We nominate him as a candidate for Corporate Auditor in order for him to provide precise advice on the Company's management and since there is no problem with his independence in relationship with the Company. We believe he is suitable for serving as an Outside Corporate Auditor of the Company.</p>				

(Notes)

1. Mr. Ryusuke Itakura is a candidate for Outside Corporate Auditor.
2. Mr. Ryusuke Itakura, a candidate for Outside Corporate Auditor, satisfies the requirements of independent officers stipulated by Tokyo Stock Exchange, Inc., Nagoya Stock Exchange, Inc. and Fukuoka Stock Exchange, respectively. The Company has notified the stock exchanges that if this proposal to appoint Mr. Ryusuke Itakura as a Corporate Auditor is approved, he will be an independent officer.
3. If this proposal is approved, the Company plans to enter into an agreement with Mr. Ryusuke Itakura in accordance with Article 427, Paragraph 1 of the Companies Act, to limit the liability for damages set forth in Article 423, Paragraph 1 of the same act to the amount stipulated by laws and regulations.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company, and all candidates for this election proposal will be insured under the contract. The insurance contract covers damages that may arise from the insured directors and officers assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability.

(Reference)

(1) Skill matrix of Directors and Corporate Auditors (planned) after this Annual General Meeting of Shareholders

The Company elects multiple Outside Directors within the limits of the number specified in the Companies Act and the Company's Articles of Incorporation, so that its Board of Directors is both diverse and effective, with a good balance of members who possess the knowledge, experience, and skills needed to effectively perform their roles and responsibilities. If Proposal 2 and Proposal 3 are approved as originally proposed, the composition of the Company's Directors and Corporate Auditors, and experience and expertise of each Director and Corporate Auditor are as follows:

	Name	Corporate management	Sales / Marketing	Global / Business	Production / R&D	IT / Digital transformation (DX)	HR management / development	Sustainability / ESG	Legal affairs / Compliance / Risk management	Finance / Accounting
Directors	Kazuhide Nakatomi	●	●	●	●					
	Kosuke Sugiyama	●		●	●		●			
	Kyu Saito	●	●	●						
	Nobuo Tsutsumi				●			●	●	
	Shinichi Murayama	●		●					●	
	Koji Takiyama	●				●		●	●	
	Yuichiro Anzai	●			●	●	●			
	Tetsugo Matsuo	●	●							
	Tamako Watanabe	●						●		●
Corporate Auditors	Nobuyuki Nakatomi	●								
	Munehiko Hirano				●					
	Kentaro Watanabe	●							●	
	Ryusuke Itakura	●							●	●

(2) Criteria for selecting independent officers

Hisamitsu Pharmaceutical Co., Inc. (the “Company”) shall establish criteria for independence of outside officers (Outside Directors and Outside Corporate Auditors) of the Company as follows.

I. If an outside officer does not fall under any of the attributes listed in the following items, the Company determines that the outside officer is fully independent from the Company.

1. Relationship with group companies

- (1) An executive*¹ or a Director who is not an executive of the parent company of the Company in the past ten years
- (2) A Corporate Auditor of the parent company of the Company in the past ten years (This is limited to the case where an Outside Corporate Auditor is designated as an independent officer.)
- (3) An executive of a fellow subsidiary of the Company in the past ten years

2. Remuneration from the Company

- (1) An attorney at law, certified public accountant, certified public tax accountant, consultant, etc. who has received ¥10 million or more of money or other financial benefits per year from the Group (This refers to the Company and its parent company, fellow subsidiaries, and subsidiaries. The same applies hereinafter.) in any of the past three business years, other than the officer’s remuneration
- (2) A person who belongs to a corporation such as a law office, audit corporation, tax accountancy corporation, or consulting firm or an organization such as a partnership that has received a certain amount*² or more of money or other financial benefits from the Group in any of the past three business years or a person who has recently fallen under this category

3. Business relationship

A person who has a significant business relationship*³ with the Group or, if the person is a corporation or other organization, an executive thereof or a person who has recently fallen under this category

4. Major shareholder

A person who is a major shareholder*⁴ of the Company, or an executive of a company of which the Company is a major shareholder in any of the past three business years

5. Donation recipient

A person who has received a donation exceeding ¥10 million from the Company in any of the past three business years (If the person is a corporation or other organization, a person who has received a donation exceeding ¥10 million and accounting for more than 2% of the total revenue of the corporation or other organization) or, if the person is a corporation or other organization, an executive of the person

6. Others

- (1) A spouse or a relative within the second degree of a person who falls under any of the items 1 to 5 (This is limited to a person who is in a significant position*⁵ for an executive of a corporation or other organization or a person described in 2 (2).)
- (2) A spouse or a relative within the second degree of a person who falls under any of the following (This is limited to a person who is in a significant position.)
 - 1) An accounting advisor of the Company (If the accounting advisor is a corporation, it includes an employee who is to perform the duties thereof. The same shall apply hereinafter.) (This is limited to the case where an Outside Corporate Auditor is designated as an independent officer.)
 - 2) An executive of a subsidiary of the Company
 - 3) A Director who is not an executive or accounting advisor of a subsidiary of the Company (This is limited to the case where an Outside Corporate Auditor is designated as an independent officer.)
 - 4) An executive or a Director who is not an executive of the parent company of the Company
 - 5) A Corporate Auditor of the parent company of the Company (This is limited to the case where an Outside Corporate Auditor is designated as an independent officer.)
 - 6) An executive of a fellow subsidiary of the Company
 - 7) A person who has recently fallen under items 1) to 3) or an executive of the Company (This includes a Director who is not an executive in the case where an Outside Corporate Auditor is designated as an independent officer.)

II. Even if an outside officer falls under any of the attributes listed in any of the items stipulated in I., the Company may determine that there is no problem with the requirements for an independent officer when the Board of Directors or the Board of Corporate Auditors of the Company conducts a comprehensive review and determines that independence is ensured.

(Notes) *1 An executive refers to an executive stipulated in Article 2, paragraph (3), item (vi) of the Regulations for Enforcement of the Companies Act, which includes an executive Director, corporate officer, executive officer, and other employee.

*2 A certain amount refers to 2% of the gross sales of the corporation or an organization such as a partnership.

*3 A person who has a significant business relationship refers to a person who falls under either (1) or (2) described below.

(1) A person for which the Group is a significant business partner

A person who has received a payment of the amount exceeding 2% of the consolidated net sales from the Group in any of the past three business years

(2) A person who is a significant business partner of the Group

A person who has paid an amount exceeding 2% of the Group's consolidated net sales to the Group, or a person who has provided a loan exceeding 2% of the Company's consolidated total assets as of the end of the previous business year to the Group in any of the past three business years

*4 A major shareholder refers to a shareholder who holds 10% or more of the total voting rights of the Company.

*5 A person in a significant position refers to a Director (excluding Outside Directors), executive officer, corporate officer, or a person with authority equivalent thereto. (In addition to the person, it includes an attorney at law, certified public accountant, or certified public tax accountant belonging to a law office, audit corporation, or tax accountancy corporation for the person described in I. 2 (2).)

(3) Reduction of cross-shareholdings

<Policy for cross-shareholdings>

- At a meeting of the Board of Directors held in May of each year, the Company verifies the reasonableness of its shareholdings by comprehensively considering the results of qualitative verification based on the status of transactions for each issue and quantitative verification based on economic rationality through benefits and dividends associated with transactions.
- Based on the results of the verification, the Company will dialogue with investee companies and consider reducing the issues that are determined to be unreasonable to hold.

<Reduction target>

