

(FOR REFERENCE PURPOSE ONLY)

Securities Code: 4528  
May 31, 2023

To Our Shareholders

Gyo Sagara  
President, Representative Director & CEO  
Ono Pharmaceutical Co., Ltd.  
1-5, Doshomachi 2-chome, Chuo-ku, Osaka, Japan  
Head Office:  
8-2, Kyutaromachi 1-chome, Chuo-ku, Osaka, Japan

## NOTICE TO CONVENE THE 75TH ORDINARY GENERAL SHAREHOLDERS' MEETING

We hereby notify you that the 75th Ordinary General Shareholders' Meeting (hereinafter the "Meeting") of Ono Pharmaceutical Co., Ltd. (hereinafter "We" or the "Company") will be held as described below.

For this Meeting, the Company has taken measures for electronic provision and posted electronic provision measures matters on the Company's website below.

[The Company's website]

<https://www.ono-pharma.com/en/ir/stock/notification.html>

In addition to the website above, electronic provision measures matters are available at the website below (only in Japanese).

[Website for Reference Materials for the Meeting]

<https://d.sokai.jp/4528/teiji/>

You may exercise your voting rights by attending the Meeting at the venue, by electronic means (via the Internet), or in writing (via postal mail). Please review the attached Reference Materials for the Meeting and exercise your voting rights by 5 p.m. on Wednesday, June 21, 2023 (JST).

**1. Date and Time:** 10 a.m., Thursday, June 22, 2023 (Entry will start at 9 a.m.)

**2. Place:** Peacock Room, 3F, IMPERIAL HOTEL OSAKA  
8-50, Temmabashi 1-chome, Kita-ku, Osaka, Japan

### **3. Agenda:**

#### **Matters to be reported:**

1. Business Report and Consolidated Financial Statements for the 75th Fiscal Year (from April 1, 2022 to March 31, 2023), as well as the Audit Report on the Consolidated Financial Statements for the 75th Fiscal Year by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 75th Fiscal Year (from April 1, 2022 to March 31, 2023)

#### **Matters to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seven (7) Members of the Board of Directors  
**Proposal 3:** Election of Two (2) Audit & Supervisory Board Members  
**Proposal 4:** Revision to the Amount of Remuneration for Audit & Supervisory Board Members

#### 4. Guidance Notes on the Exercise of Voting Rights

■ Exercise of Voting Rights by Electronic Means (via the Internet)

Please access the website at <https://www.web54.net> with the “Voting Rights Exercise Code” and password printed on the enclosed Voting Rights Exercise Form, and select the electronic voting option and exercise your voting rights in accordance with the instructions on the website by the due date and time for exercise.

If you exercise your voting rights via a smartphone, “Smart Voting” system is available for use.

**Due Date and Time for Exercise: 5 p.m., Wednesday, June 21, 2023 (JST)**

■ Exercise of Voting Rights in Writing (via postal mail)

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach us by the due date and time for exercise.

**Due Date and Time for Exercise: 5 p.m., Wednesday, June 21, 2023 (JST)**

- If you exercise your voting rights in writing (via postal mail) and there is no indication of your approval or disapproval of the proposals on the Voting Rights Exercise Form, we will regard them as an indication of your approval.
- If you exercise your voting rights both in writing (via postal mail) and by electronic means, only the vote cast by electronic means will be regarded as valid.
- If you exercise your voting rights more than once by electronic means, only the last vote will be regarded as valid.

If you are attending the Meeting at the venue, please present the enclosed Voting Rights Exercise Form at the reception desk upon your arrival.

(If any changes are made to the electronic provision measures matters, a notice to that effect and the matters before and after the modification will be posted on each of the above websites.)

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Note: This document has been translated from 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.

## Reference Materials for the Shareholders' Meeting

### Proposals and Reference Items

#### Proposal 1: Appropriation of Surplus

We regard the return of profits to shareholders as one of our important management policies, and our policy on distribution of profits is to make distribution(s) commensurate with the business results while keeping in mind the importance of a stable and continuing payment of dividend.

For this fiscal year, we propose a year-end dividend of ¥37 per share. This would, together with the interim dividend of ¥33 per share, make the total annual dividend ¥70 per share (an increase of ¥14 from the previous fiscal year). The details are as follows:

#### Year-End Dividend

(1) Type of dividend property

Cash

(2) Allocation of dividend property to shareholders and total amount of such allocation

¥37 per share of common stock    Total dividend amount: ¥18,070,772,102

(3) Effective date of the distribution of the dividend

June 23, 2023

**Proposal 2: Election of Seven (7) Members of the Board of Directors**

The terms of office of all eight (8) current Members of the Board of Directors will expire at the close of the Meeting. Therefore, seven (7) Members of the Board of Directors, including three (3) Outside Directors, are proposed to be elected.

The candidates for Members of the Board of Directors were determined by the Board of Directors after the deliberation at the “Executive Appointment Meeting” where Outside Directors account for a majority and that is chaired by an Outside Director.

The candidates for Members of the Board of Directors are as follows:

No.	Name	Current Positions and Assignments in the Company and Important Concurrent Holding of Positions	Number of Board of Directors’ Meetings Attended	
1	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Gyo Sagara	Representative Director, President & CEO	12/12 (100%)	
2	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Toshihiro Tsujinaka	Member of the Board of Directors, Senior Executive Officer Executive Director, Corporate Strategy & Planning	12/12 (100%)	
3	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Toichi Takino	Member of the Board of Directors, Senior Executive Officer Executive Director, Discovery & Research	12/12 (100%)	
4	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> Kiyooki Idemitsu	Member of the Board of Directors, Executive Officer Executive Director, Clinical Development	12/12 (100%)	
5	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="color: blue; padding: 2px;">Outside</span> <span style="background-color: #d9e1f2; padding: 2px;">Independent</span> Masao Nomura	Member of the Board of Directors Adviser to the Board, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd.	12/12 (100%)	
6	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="color: blue; padding: 2px;">Outside</span> <span style="background-color: #d9e1f2; padding: 2px;">Independent</span> Akiko Okuno	Member of the Board of Directors Professor, Faculty of Business Administration, KONAN UNIVERSITY	12/12 (100%)	
7	<span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="color: blue; padding: 2px;">Outside</span> <span style="background-color: #d9e1f2; padding: 2px;">Independent</span> Shusaku Nagae	Member of the Board of Directors Special Corporate Advisor, Panasonic Holdings Corporation Audit & Supervisory Board Member, Nikkei Inc.	12/12 (100%)	

Reappointment


Candidates for Directors to be reappointed

Outside

Candidates for Outside Directors

Independent

Independent Directors registered with the Tokyo Stock Exchange

<p>No. 1</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p>  <p><b>Gyo Sagara</b> (October 7, 1958)</p> <p>Number of the Company's shares held 103,100</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 1983 Joined the Company</p> <p>April 2006 Executive Director, General Administration and Senior Director, Corporate Management</p> <p>June 2006 Member of the Board of Directors</p> <p>April 2007 Executive Director, Corporate Management</p> <p>November 2007 Executive Director, Sales and Marketing</p> <p>December 2007 Managing Member of the Board of Directors</p> <p>February 2008 Member of the Board of Directors, Vice President</p> <p>April 2008 Executive Director, Corporate Management</p> <p>June 2008 Vice President and Representative Director</p> <p>September 2008 President, Representative Director &amp; CEO (to date)</p>
<p>No. 2</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p>  <p><b>Toshihiro Tsujinaka</b> (December 18, 1964)</p> <p>Number of the Company's shares held 21,500</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 1988 Joined the Company</p> <p>June 2004 Director, Koshinetsu Branch Sales Division</p> <p>November 2007 Senior Director, Sales Operations</p> <p>October 2012 Director, Sendai Branch Sales Division</p> <p>October 2015 Senior Director, Oncology Planning &amp; Promotion</p> <p>April 2016 Division Director, Oncology Business Division</p> <p>June 2016 Corporate Officer</p> <p>October 2018 Executive Director, Corporate Strategy &amp; Planning (to date)</p> <p>June 2019 Executive Officer</p> <p>June 2020 Member of the Board of Directors, Executive Officer</p> <p>June 2021 Member of the Board of Directors, Senior Executive Officer (to date)</p>

<p>No. 3</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p>  <p><b>Toichi Takino</b> (January 14, 1968)</p> <p>Number of the Company's shares held 22,000</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 1995 Joined the Company</p> <p>April 2006 Senior Director, International Business</p> <p>April 2008 Senior Director, Business Development</p> <p>May 2008 Senior Director, Global Business Development &amp; Licensing</p> <p>July 2009 Vice President, ONO PHARMA USA, INC.</p> <p>June 2011 Corporate Officer</p> <p>April 2012 Executive Director, Corporate Development &amp; Strategy</p> <p>October 2018 Executive Director, Discovery and Research Division</p> <p>April 2019 Executive Director, Discovery &amp; Research (to date)</p> <p>June 2019 Executive Officer</p> <p>June 2020 Member of the Board of Directors, Executive Officer</p> <p>June 2021 Member of the Board of Directors, Senior Executive Officer (to date)</p>
<p>No. 4</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p>  <p><b>Kiyooki Idemitsu</b> (March 12, 1964)</p> <p>Number of the Company's shares held 10,400</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 1987 Joined the Company</p> <p>December 2000 President, ONO PHARMA UK LTD.</p> <p>January 2008 Senior Director, Discovery Research Alliance</p> <p>January 2010 Senior Director, Global Business Development &amp; Licensing</p> <p>April 2012 Division Director, Discovery Research Alliance Division</p> <p>October 2013 Senior Director, Nivolumab Strategic Planning</p> <p>April 2017 Division Director, Medical Affairs Division</p> <p>October 2018 Corporate Officer</p> <p>October 2018 Executive Director, Clinical Development (to date)</p> <p>June 2020 Executive Officer</p> <p>June 2021 Member of the Board of Directors, Executive Officer (to date)</p>

<p>No. 5</p> <p>Reappointment Outside Independent</p>  <p>Masao Nomura (August 2, 1949)</p> <p>Number of the Company's shares held 5,000</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>March 1972 Joined Iwatani Corporation</p> <p>June 2007 Director, Executive Officer, Iwatani Corporation</p> <p>April 2009 Executive Director, Executive Officer, Iwatani Corporation</p> <p>April 2010 Senior Executive Director, Executive Officer, Iwatani Corporation</p> <p>June 2012 President, Representative Director, Executive Officer, Iwatani Corporation</p> <p>April 2017 Director, Senior Adviser to the Board, Executive Officer, Iwatani Corporation</p> <p>June 2017 Senior Adviser to the Board, Iwatani Corporation</p> <p>June 2018 Member of the Board of Directors, Outside Director (to date)</p> <p>June 2019 Outside Director, Keihanshin Building Co., Ltd. (to date)</p> <p>June 2020 Outside Director, NEW COSMOS ELECTRIC CO., LTD.</p> <p>July 2022 Advisor, Iwatani Corporation (to date)</p> <p>[Status of important concurrent holding of positions] Advisor to the Board, Iwatani Corporation Outside Director, Keihanshin Building Co., Ltd.</p>
<p>No. 6</p> <p>Reappointment Outside Independent</p>  <p>Akiko Okuno (November 17, 1970)</p> <p>Number of the Company's shares held 0</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 2002 Associate Professor, Faculty of Economics, Osaka University of Economics and Law</p> <p>April 2004 Associate Professor, Faculty of Business Administration, Tezukayama University</p> <p>April 2010 Professor, Faculty of Business Administration, Tezukayama University</p> <p>April 2012 Professor, Faculty of Business Administration, KONAN UNIVERSITY (to date)</p> <p>June 2020 Member of the Board of Directors, Outside Director (to date)</p> <p>[Status of important concurrent holding of positions] Professor, Faculty of Business Administration, KONAN UNIVERSITY</p>

<p>No. 7</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto; background-color: #e0f0ff;">Outside</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto; background-color: #c0d0ff;">Independent</div>  <p><b>Shusaku Nagae</b> (January 30, 1950)</p> <p>Number of the Company's shares held 0</p>	<p><b>Brief biographic outline, positions, assignments, and status of important concurrent holding of positions</b></p> <p>April 1972 Joined Matsushita Electric Works, Ltd.</p> <p>December 2004 Managing Executive Officer, Matsushita Electric Works, Ltd.</p> <p>June 2007 Managing Director, Matsushita Electric Works, Ltd.</p> <p>June 2010 Representative Director, President, Panasonic Electric Works Co., Ltd.</p> <p>April 2011 Senior Managing Executive Officer, Panasonic Corporation (currently Panasonic Holdings Corporation)</p> <p>June 2012 Representative Director, Executive Vice President, Panasonic Corporation</p> <p>June 2013 Representative Director, Chairman of the Board of Directors, Panasonic Corporation</p> <p>June 2017 Director, Chairman of the Board, Panasonic Corporation</p> <p>June 2021 Member of the Board of Directors, Outside Director (to date)</p> <p>June 2021 Special Corporate Advisor, Panasonic Corporation (currently Panasonic Holdings Corporation) (to date)</p> <p>March 2023 Audit &amp; Supervisory Board Member, Nikkei Inc. (to date)</p> <p>[Status of important concurrent holding of positions] Special Corporate Advisor, Panasonic Holdings Corporation Audit &amp; Supervisory Board Member, Nikkei Inc.</p>
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- Notes:
1. There is no special interest between each of these candidates and the Company.
  2. Masao Nomura, Akiko Okuno and Shusaku Nagae are the candidates for Outside Directors.
  3. The reasons why the Company appoints these candidates as Outside Directors and their expected roles are outlined as follows:
    - 1) Masao Nomura has ample experience and expert knowledge gained through his long career as a corporate manager. Since assuming the position as an Outside Director in 2018, he has sufficiently fulfilled the duties of an Outside Director by providing advice and suggestions on the Company's overall management as well as by appropriately monitoring and supervising business execution from an independent point of view. Based on his experience, knowledge and past performance, the Company believes that he will continue to properly fulfill the responsibilities of an Outside Director and has proposed him as a candidate.
    - 2) Akiko Okuno has advanced academic knowledge as a university professor specializing in business administration. Since assuming the position as an Outside Director in 2020, she has sufficiently fulfilled the duties of an Outside Director by providing advice and suggestions based on her knowledge in her specialized fields, such as women's labor and personnel evaluation systems as well as by appropriately monitoring and supervising business execution from an independent point of view. Although she has not been directly involved in corporate management, the Company believes that she will continue to properly fulfill the responsibilities of an Outside Director, based on her expertise gained through research in business administration as well as her past performance, and has proposed her as a candidate.
    - 3) Shusaku Nagae has ample experience and expert knowledge gained through his long career as a corporate manager. Since assuming the position as an Outside Director in 2021, he has sufficiently



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fulfilled the duties of an Outside Director by providing advice and suggestions on the Company's overall management as well as by appropriately monitoring and supervising business execution from an independent point of view. Based on his experience, knowledge and past performance, the Company believes that he will continue to properly fulfill the responsibilities of an Outside Director and has proposed him as a candidate.

4. Masao Nomura will have been in office as an Outside Director for 5 years at the close of the Meeting.  
Akiko Okuno will have been in office as an Outside Director for 3 years at the close of the Meeting.  
Shusaku Nagae will have been in office as an Outside Director for 2 years at the close of the Meeting.
5. With Masao Nomura, Akiko Okuno and Shusaku Nagae, the Company has entered into agreements which limit the maximum amount of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided by laws and regulations. If their election is approved as proposed, the Company plans to continue the said agreements.
6. The Company has entered into indemnification agreements with each Member of the Board of Directors which is specified in Article 430-2, Paragraph 1 of the Companies Act and will indemnify the costs provided in Item 1 and losses provided in Item 2 of the Paragraph within the scope stipulated by laws and regulations. If the election of each candidate is approved as proposed, the Company plans to continue the said agreements.
7. The Company has executed a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages from a shareholder or a third party, etc., the said insurance contract will compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If the election of each candidate is approved as proposed, they will become the insured under the said insurance contract. The Company plans to renew the said insurance contract in July 2023.
8. Masao Nomura, Akiko Okuno and Shusaku Nagae have been registered as independent directors defined in the regulations of the Tokyo Stock Exchange. If their election is approved as proposed, they will continue to serve as independent directors.

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**Proposal 3: Election of Two (2) Audit & Supervisory Board Members**

The terms of office of two (2) Audit & Supervisory Board Members, Hironobu Tanisaka and Akiko Tanabe, will expire at the close of the Meeting. Therefore, two (2) Audit & Supervisory Board Members, including one (1) Outside Audit & Supervisory Board Member, are proposed to be elected.

The candidates for Audit & Supervisory Board Members were determined by the Board of Directors after the deliberation at the “Executive Appointment Meeting” where Outside Directors account for a majority and that is chaired by an Outside Director. The Audit & Supervisory Board has agreed to this proposal.



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

Composition of the Audit & Supervisory Board after the approval of Proposal 3 (Provisional)

No.	Name	Current Positions in the Company and Important Concurrent Holding of Positions	Number of Board of Directors' Meetings Attended	Number of Audit & Supervisory Board's Meetings Attended
–*	<b>Current</b> Katsuyoshi Nishimura	Full-time Audit & Supervisory Board Member	11/12 (91.7%)	14/15 (93.3%)
1	<b>Reappointment</b> Hironobu Tanisaka	Full-time Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
–*	<b>Current</b> <b>Outside</b> <b>Independent</b> Yasuo Hishiyama	Audit & Supervisory Board Member Partner Attorney at Law, TANABE & PARTNERS Member of appraisal committee (Land Lease Non-Contentious Cases) at Tokyo District Court	12/12 (100%)	15/15 (100%)
2	<b>Reappointment</b> <b>Outside</b> <b>Independent</b> Akiko Tanabe	Audit & Supervisory Board Member Representative, Akiko Tanabe CPA office Outside Director, OIE SANGYO CO., LTD Partner of Midosuji Audit Corporation	12/12 (100%)	15/15 (100%)

Reappointment	Candidates for Audit & Supervisory Board Members to be reappointed	<b>Current</b>	Current Audit & Supervisory Board Members	Outside	Candidates for Outside Audit & Supervisory Board Members	<b>Independent</b>	Independent Auditors registered with the Tokyo Stock Exchange
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\* The term of office of Audit & Supervisory Board Members of the Company is four years. Katsuyoshi Nishimura and Yasuo Hishiyama were elected and assumed office at the 72nd Ordinary General Shareholders' Meeting held in June 2020.

<p>No. 1</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p>	<p style="text-align: center;"><b>Brief biographic outline, positions, and status of important concurrent holding of positions</b></p> <p>April 1984 Joined the Company  August 2007 Senior Director, Legal Department  January 2018 Senior Director, Business Audit Department  June 2021 Full-time Audit &amp; Supervisory Board Member (to date)</p>
 <p>Hironobu Tanisaka (April 30, 1961)</p> <p>Number of the Company's shares held 1,800</p>	<p>No. 2</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</p> <p style="border: 1px solid black; padding: 2px; display: inline-block; background-color: #e0e0e0;">Outside</p> <p style="border: 1px solid black; padding: 2px; display: inline-block; background-color: #a0c0ff;">Independent</p>
 <p>Akiko Tanabe (June 15, 1970)</p> <p>Number of the Company's shares held 0</p>	<p style="text-align: center;"><b>Brief biographic outline, positions, and status of important concurrent holding of positions</b></p> <p>October 1993 Joined Century Audit Corporation (currently Ernst &amp; Young ShinNihon LLC.)  May 1997 Registered as Certified Public Accountant  January 2012 Established Akiko Tanabe CPA office (to date)  June 2015 Outside Director, OIE SANGYO CO., LTD. (to date)  July 2019 Partner of Midosuji Audit Corporation (to date)  April 2020 Provisional Outside Audit &amp; Supervisory Board Member, the Company  June 2020 Audit &amp; Supervisory Board Member (to date)</p> <p>[Status of important concurrent holding of positions]  Representative, Akiko Tanabe CPA office  Outside Director, OIE SANGYO CO., LTD.  Partner of Midosuji Audit Corporation</p>

- Notes:
1. There is no special interest between each of these candidates and the Company.
  2. Akiko Tanabe is a candidate for Outside Audit & Supervisory Board Member.
  3. Akiko Tanabe has abundant experience and broad knowledge of finance and accounting in general from her experience as a certified public accountant. Since assuming the position as an Outside Audit & Supervisory Board Member of the Company in 2020, she has sufficiently fulfilled the duties of an Outside Audit & Supervisory Board Member from an independent point of view by providing useful advice and suggestions on the Company's management backed by her experience and professional viewpoints mentioned above. Although she has not been directly involved in corporate management, the Company believes that she will continue to properly fulfill the responsibilities of an Outside Audit & Supervisory Board Member, based on her experience and knowledge as a certified public accountant as well as her past performance, and has proposed her as a candidate.

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4. Akiko Tanabe will have been in office as an Outside Audit & Supervisory Board Member for three years and two months at the close of the Meeting.
5. With Akiko Tanabe, the Company has entered into an agreement which limits the maximum amount of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided by laws and regulations. If her election is approved as proposed, the Company plans to continue the said agreement.
6. The Company has entered into indemnification agreements with each Outside Audit & Supervisory Board Member which is specified in Article 430-2, Paragraph 1 of the Companies Act and will indemnify the costs provided in Item 1 and losses provided in Item 2 of the Paragraph within the scope stipulated by laws and regulations. If the election of each candidate is approved as proposed, the Company plans to continue the said agreements.
7. The Company has executed a directors and officers liability insurance contract set forth in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages from a shareholder or a third party, etc., the said insurance contract will compensate for damages including compensation for damages and legal expenses to be borne by the insureds. If the election of each candidate is approved as proposed, they will become the insured under the said insurance contract. The Company plans to renew the said insurance contract in July 2023.
8. Akiko Tanabe has been registered as an independent auditor defined in the regulations of the Tokyo Stock Exchange. If her election is approved as proposed, she will continue to be an independent auditor.

## (FOR REFERENCE PURPOSE ONLY)

## Reference: Management Structure after the Approval of Proposals 2 and 3 (Provisional)

Position	Name	Main Skills and Areas of Experience								
		Corporate Management	Finance and Accounting	Legal and Risk Management	Research and Development	Business Strategy and Marketing	Personnel Affairs and HR Development	ESG and Sustainability	Global Experience	DX and IT
Representative Director President & CEO	Gyo Sagara	●	●			●		●		
Member of the Board of Directors, Senior Executive Officer	Toshihiro Tsujinaka		●			●	●			
Member of the Board of Directors, Senior Executive Officer	Toichi Takino				●	●			●	
Member of the Board of Directors, Executive Officer	Kiyooki Idemitsu				●	●			●	
Member of the Board of Directors	Masao Nomura	●	●	●		●	●	●		●
Member of the Board of Directors	Akiko Okuno						●	●	●	
Member of the Board of Directors	Shusaku Nagae	●			●	●		●	●	●
Full-time Audit & Supervisory Board Member	Katsuyoshi Nishimura			●		●		●		
Full-time Audit & Supervisory Board Member	Hironobu Tanisaka			●				●		
Audit & Supervisory Board Member	Yasuo Hishiyama			●				●		
Audit & Supervisory Board Member	Akiko Tanabe		●					●		

Notes: 1. The evaluation criteria for the skills are as follows.

Inside Directors: work experience and managerial experience

Outside Directors and Audit & Supervisory Board Members: areas where the Company expects their supervision, auditing and advice

2. Full-time Audit & Supervisory Board Members and the positions of Members of the Board of Directors are determined at the Audit & Supervisory Board's meeting and the subsequent Board of Directors' meeting held after the Meeting, respectively.

## Reference: Matters concerning Shares Held as Cross-Shareholdings

## 1. Policy on Cross-Shareholdings

The Company believes that it is essential to have partner companies with which the Company can maintain a long-term collaborative relationship, in order to discover innovative drugs that bring true benefits to patients. The Company, therefore, holds shares that it has deemed necessary for strategic purposes, after comprehensively considering the business relationship with the issuers of those shares and the synergies created, in light of a medium- to long-term perspective for increasing our corporate value.

When judging whether the shareholding will lead to an increase in the corporate value of the Company from the medium- to long-term perspective, the Company reviews the purpose of the shareholding, the benefits and risks from shareholding with respect to each issuer of the cross-held shares at a Board of Directors' meeting once a year, and determines whether or not to continue holding those shares after comprehensively considering the business relationship with the issuers and synergies created as the basis for an overall review of its entire shares held as cross-shareholdings. For the shares that the Company decides to reduce holdings as a result of this review, dialogue will be held with the investees to obtain their understanding while implementing the reduction.

## 2. Status of Shares Held as Cross-Shareholdings

Classifications		71st fiscal year (as of March 31, 2019)	72nd fiscal year (as of March 31, 2020)	73rd fiscal year (as of March 31, 2021)	74th fiscal year (as of March 31, 2022)	75th fiscal year (current) (as of March 31, 2023)
Number of issues held	Listed	72	66	55	53	47
	Unlisted	14	14	15	14	14
	Total	86	80	70	67	61
Amount carried in balance sheet (millions of yen)	Listed	147,312	124,876	136,055	113,151	106,990
	Unlisted	803	803	907	805	805
	Total	148,116	125,680	136,962	113,956	107,795
Consolidated net asset ratio		26.3%	22.1%	21.4%	17.2%	14.4%

- Notes: 1. "Investment shares held for purposes other than pure investment purpose (including deemed holding shares)" disclosed in the Annual Securities Report are considered as equivalent to "Shares held as cross-shareholdings," and the changes in holding of such shares are shown above.
2. "Listed" stands for shares other than unlisted shares.
3. "Unlisted" stands for unlisted shares.
4. The Company does not hold deemed holding shares.
5. The amount carried in balance sheet is rounded off to the nearest whole number, and the consolidated net asset ratio is rounded off to the first decimal place.

## 3. Reduction Target of Shares Held as Cross-Shareholdings

The Company continues to reduce the ratio of shares held as cross-shareholdings to its consolidated net assets over the medium- to long-term, with a target of less than 10% (at the amount carried in balance sheet).

**Proposal 4:           Revision to the Amount of Remuneration for Audit & Supervisory Board Members**

The 65th Ordinary General Shareholders' Meeting held on June 26, 2013 resolved to set the maximum amount of remuneration for Audit & Supervisory Board Members at 100 million yen per year. The Company has paid remuneration, within this maximum amount, to each Audit & Supervisory Board Member after consultation among the Audit & Supervisory Board Members.

In consideration of the increasing responsibilities of Audit & Supervisory Board Members and their expected roles as the Company steps up its efforts to improve its corporate value over the medium- to long-term with the aim of becoming a "Global Specialty Pharma," the Company proposes to revise the maximum amount of remuneration for Audit & Supervisory Board Members to 150 million yen per year in order to set remuneration at a level to attract and retain excellent human resources.

The Company currently has four (4) Audit & Supervisory Board Members. If Proposal 3 (Election of Two (2) Audit & Supervisory Board Members) is approved as proposed, the number of Audit & Supervisory Board Members will be four (4).

The Company will continue to provide Audit & Supervisory Board Members with the base remuneration, or fixed remuneration, only.