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Securities Code: 4540

Date of sending by postal mail: June 6, 2025

Start date of measures for electronic provision: May 30, 2025

To Our Shareholders:

Terukazu Kato
President, Representative Director and CEO
TSUMURA & CO.
17-11 Akasaka 2-chome, Minato-ku, Tokyo

Notice of the 89th Ordinary General Meeting of Shareholders

We are pleased to announce that the 89th Ordinary General Meeting of Shareholders of TSUMURA & CO. (the “Company”) will be held as indicated below.

When the Company convenes a general meeting of shareholders, the Company takes measures for providing information in electronic format. The information that constitutes the content of reference documents for the general meeting of shareholders (matters subject to measures for electronic provision) is posted on the website below. Kindly review it at your convenience.

[The Company’s website]

<https://www.tsumura.co.jp/ir/stock/shareholders/index.html> (in Japanese)

* The materials are also available on the following websites.

Websites on which materials for the General Meeting of Shareholders are posted:

<https://d.sokai.jp/4540/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Tsumura” in “Issue name (company name)” or the Company’s securities code “4540” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information” to see the documents.)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for General Meeting of Shareholders and exercise your voting rights by **5:45 p.m. on Thursday, June 26, 2025 (JST)**.

1. **Date and Time:** Friday, June 27, 2025, at 10:00 a.m. (JST)
2. **Venue:** “Ho’oh,” 1st floor, THE CAPITOL HOTEL TOKYU
10-3 Nagatacho 2-chome, Chiyoda-ku, Tokyo

3. **Purpose of the Meeting**

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 89th fiscal year (from April 1, 2024, to March 31, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 89th fiscal year (from April 1, 2024, to March 31, 2025)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4:** Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
- Proposal No. 5:** Revision of Performance-Linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Non-executive Directors)

Notes:

- ◎ Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Company’s Articles of Incorporation, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following matters.
- i) **“System to ensure the appropriateness of business operations” and “Summary of the operational status of the system to ensure the appropriateness of business operations” described in the Business Report**
- ii) **“Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” sections of Consolidated Financial Statements**
- iii) **“Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” sections of Non-consolidated Financial Statements**
- ◎ If revisions to the matters subject to measures for electronic provision arise, the details of such revisions will be posted on the respective websites where they are posted.

Reference Documents for General Meeting of Shareholders

Proposal No. 1

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profit to shareholders as its important policy. We have determined the return to shareholders by taking into account medium- and long-term profit levels, cash flows, and balance sheet management, etc. We are striving to increase corporate value through efforts to achieve sustainable business growth in Japan and implementing growth investments and laying the foundations for the China business. Setting DOE (dividend on equity ratio) as its indicator, the Company aims to enhance dividends with the goal of 5% DOE as the target level for FY2031.

■ Year-end dividends

1) Type of dividend property

Cash

2) Allotment of dividend property and the aggregate amount

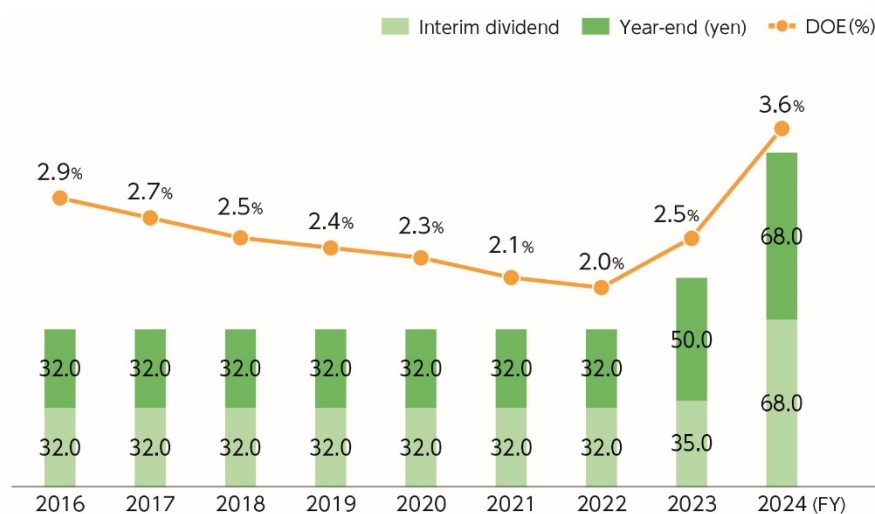
The Company proposes to pay a dividend of ¥68 per common share of the Company.

The total dividends will be ¥5,189,849,420.

3) Effective date of payment of dividends of surplus

June 30, 2025

<Trend of Dividends>



(Note 1) Concerning the dividends per share and DOE for FY2024 (fiscal year ended March 31, 2025), matters concerning the dividends per share of common stock are being presented as a proposal of the 89th Ordinary General Meeting of Shareholders, and the figures shown here are based on the assumption that this proposal is approved.

(Note 2) DOE: Dividend on equity ratio

An indicator to show what level of dividends are being paid as a percentage of equity.

Proposal No. 2

Proposal No. 2: Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this general meeting.

Accordingly, the Company proposes to elect five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Following discussions by the Audit and Supervisory Committee based on deliberations of the Nomination Advisory Committee attended by all of two (2) Outside Directors who are Audit and Supervisory Committee Members, the Audit and Supervisory Committee believes that the nominating procedure was properly followed and all candidates are adequate to serve as Directors of the Company.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current Position in the Company				Status of attendance to Board of Directors meetings
1	Terukazu Kato	President, Representative Director and CEO	Reelection			100% (18/18)
2	Kei Sugii	Director, Co-COO	Reelection			100% (18/18)
3	Hiroshi Miyake	Outside Director	Reelection	Outside	Independent	100% (18/18)
4	Tadashi Okada	Outside Director	Reelection	Outside	Independent	100% (18/18)
5	Mariko Eguchi	—	New election	Outside	Independent	—

No.	Terukazu Kato		Reelection	
1	Date of Birth	August 26, 1963 (Age 61)	Number of the Company's Shares Owned	41,900 Shares
	Current Position in the Company	President, Representative Director and CEO	Status of attendance to Board of Directors meetings	100% (18/18)
	Tenure as a Director	14 years (at the conclusion of this general meeting)	Material relationship with the Company	None

■ Career summary, position and responsibility in the Company

Apr. 1986	Joined the Company	Jun. 2012	President and Representative Director, TSUMURA & CO.
Aug. 2001	President and Representative Director, TSUMURA USA, INC.	Jun. 2015	President and Representative Director and President and Executive Officer, TSUMURA & CO.
Jan. 2006	Head of Public Relations Department, TSUMURA & CO.		
Apr. 2007	General Manager, Head of Corporate Communications Department, TSUMURA & CO.	Jun. 2019	President, Representative Director and CEO, TSUMURA & CO. (incumbent)
Jun. 2011	Director and Executive Officer, Head of Corporate Communications Department, TSUMURA & CO.		

■ Significant concurrent positions outside the Company

No significant concurrent positions.

■ Reasons for the nomination as a candidate for Director

As a chairman of the Board of Directors, Mr. Terukazu Kato has operated the Company's corporate governance system and strengthened it in several phases, and worked to structure the Board of Directors to have majority Outside Directors, establish the Nomination Advisory Committee and Remuneration Advisory Committee, each with an Outside Director as its committee chairman, and improve the effectiveness of the Board of Directors, while successfully carrying out his responsibilities in making important management decisions and supervising the execution of business.

In addition, he delegated business execution authority to COO (or Co-COO under the cooperative COO system) and finalized the group-wide management policy as well as the corporate strategy as CEO, established the management system, carried on external negotiations and made efforts in developing management-level human resources. In order for the Company to implement the corporate philosophy stated in the corporate purpose, and pursue the aim of achieving sustainable growth and enhancing its corporate value through the realization of the long-term management vision, TSUMURA VISION "Cho-WA" 2031, the Board of Directors believes that he is one of the most well-qualified candidates.

If his election is approved, Mr. Kato will assume the position of President, Representative Director and CEO of the Company.

No.	Kei Sugii				Reelection
2	Date of Birth	December 16, 1969 (Age 55)	Number of the Company's Shares Owned	7,100 Shares	
	Current Position in the Company	Director, Co-COO	Status of attendance to Board of Directors meetings	100% (18/18)	
	Tenure as a Director	3 years (at the conclusion of this general meeting)	Material relationship with the Company	None	

■ Career summary, position and responsibility in the Company

Apr. 1994	Joined Mitsubishi Petrochemical Engineering Corporation (currently MITSUBISHI CHEMICAL ENGINEERING CORPORATION)	Apr. 2018	General Manager, TSUMURA & CO. Chairman and General Manager, SHENZHEN TSUMURA MEDICINE CO., LTD.
Jan. 2006	Joined Accenture Japan Ltd	Apr. 2020	Executive Officer, Head of Production Division, TSUMURA & CO.
May 2009	Joined the Company		
Apr. 2013	Head of Logistics Planning Department, TSUMURA & CO.	Apr. 2022	Co-COO, TSUMURA & CO.
		Jun. 2022	Director, Co-COO, TSUMURA & CO (incumbent)
Apr. 2016	Head of SCM Planning Department, TSUMURA & CO.		
Apr. 2017	General Manager, TSUMURA & CO. General Manager, SHENZHEN TSUMURA MEDICINE CO., LTD.		

■ Significant concurrent positions outside the Company

No significant concurrent positions.

■ Reasons for the nomination as a candidate for Director

Mr. Kei Sugii has extensive experience and insight accumulated through his work in a general consulting company. He has served as Chairman and General Manager of the Company's group company in China, and since April 2020, he has acquired experience as Executive Officer, Head of Production Division. In addition, from April 2022 as Co-COO, he has been engaged in group-wide business operations based on management policy and corporate strategy and has been controlling the overall business execution to achieve the plan. Since he assumed the position of Director, Co-COO in June 2022, at the Board of Directors, he proactively makes statements and deepens discussions that contribute to sound corporate management. Based on the above reasons, the Board of Directors has full confidence in his ability to carry out his responsibilities, including making important management decisions at the Board of Directors meetings and supervising the execution of business. Therefore, the Board of Directors nominates him as a candidate for Director.

If his election is approved, Mr. Sugii will assume the position of Director, Co-COO of the Company.

No.	Hiroshi Miyake		Reelection	Outside	Independent
3	Date of Birth	August 4, 1949 (Age 75)	Number of the Company's Shares Owned	4,000 Shares	
	Current Position in the Company	Outside Director	Status of attendance to Board of Directors meetings	100% (18/18)	
	Tenure as an Outside Director	7 years (at the conclusion of this general meeting)	Material relationship with the Company	None	

■ Career summary, position and responsibility in the Company

Apr. 1973	Joined Mitsubishi Corporation	Jun. 2010	Senior Managing Executive Officer, Tokushu Tokai Paper Co., Ltd.
Oct. 2000	General Manager, Paper & Packaging Raw Materials Division, Mitsubishi Corporation	Jun. 2014	Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd.
Apr. 2001	Deputy Division COO, General Merchandise Division, Mitsubishi Corporation	Jun. 2015	Representative Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd.
Apr. 2003	Deputy General Manager, Kansai Branch, Mitsubishi Corporation	Jun. 2016	Advisor, Tokushu Tokai Paper Co., Ltd.
Apr. 2005	Senior Vice President, Mitsubishi Corporation	Oct. 2016	Advisor, Nippon Tokai Industrial Paper Supply Co., Ltd.
	President, Mitsubishi International GmbH, and Deputy Regional CEO for Europe	Jun. 2018	Outside Director, TSUMURA & CO. (incumbent)
May 2009	Advisor, Tokai Pulp & Paper Co., Ltd.		
Jun. 2009	Managing Executive Officer, Tokushu Tokai Holdings Co., Ltd.		

■ Significant concurrent positions outside the Company

No significant concurrent positions.

■ Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Hiroshi Miyake has extensive experience and insight as a corporate manager developed over many years and has business experience in and outside Japan. He served as a president of the local subsidiary of a general trading company in Germany. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors, Nomination Advisory Committee, and Remuneration Advisory Committee, he proactively makes statements and deepens discussions that contribute to sound corporate management. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination Advisory Committee and Remuneration Advisory Committee again after his election.

No.	Tadashi Okada		Reelection	Outside	Independent
4	Date of Birth	May 1, 1956 (Age 69)	Number of the Company's Shares Owned		900 Shares
	Current Position in the Company	Outside Director	Status of attendance to Board of Directors meetings		100% (18/18)
	Tenure as an Outside Director	5 years (at the conclusion of this general meeting)	Material relationship with the Company		None

■ Career summary, position and responsibility in the Company

Apr. 1979	Joined Komatsu Ltd.	Feb. 2009	Executive Officer, Vice President of Industrial Machinery General Headquarters, Komatsu Ltd.
Apr. 2000	General Manager of Business Development Department, Komatsu Ltd.		
Apr. 2003	Vice President of Komatsu (China) Ltd.	Apr. 2011	Senior Executive Officer, President of Industrial Machinery Division, Komatsu Ltd.
Apr. 2006	General Manager of Corporate Communications Department, Komatsu Ltd.	Apr. 2014	Senior Executive Officer, Supervising Corporate Communications, CSR, General Affairs, and Compliance, Komatsu Ltd.
Apr. 2007	Executive Officer, General Manager of Corporate Communications Department, Komatsu Ltd.	Jun. 2017	Representative Director and Chairman of QUALICA Inc.
Apr. 2008	Executive Officer, General Manager of Corporate Planning Division, Komatsu Ltd.	Jun. 2020	Outside Director, TSUMURA & CO. (incumbent)

■ Significant concurrent positions outside the Company

No significant concurrent positions.

■ Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Tadashi Okada has extensive experience and insight as a corporate manager developed over many years and business experience in and outside Japan. In China, he served as a vice president of the China business headquarters of a construction machinery company. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors, Nomination Advisory Committee, and Remuneration Advisory Committee, he proactively makes statements and deepens discussions contributing to the sustainable enhancement of corporate value. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination Advisory Committee and Remuneration Advisory Committee again after his election.

No.	Mariko Eguchi		New Election Outside Independent		
5	Date of Birth	March 13, 1966 (Age 59)	Number of the Company's Shares Owned	0 Shares	
	Current Position in the Company	—	Status of attendance to Board of Directors meetings	—	
	Tenure as an Outside Director	—	Material relationship with the Company	None	

■ Career summary, position and responsibility in the Company

Apr. 1988	Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)	May 2019	Joined LaSalle Investment Management, Inc.
Apr. 1999	Joined Nikko Salomon Smith Barney Limited (currently Citigroup Global Markets Japan Inc.) Vice President, Investment Banking Division	Feb. 2020	Director, Asia Pacific Public Relations Division
Aug. 2006	Joined UBS Securities Japan Co., Ltd., Director of Investment Banking		Joined Aflac Life Insurance Japan Ltd. Executive Officer, Public Relations Department, Office for the Promotion of Social and Public Activities
May 2008	Director, Public Relations Division (Corporate Communications & Branding), UBS Group	Jan. 2024	Advisor, Aflac Life Insurance Japan Ltd. (incumbent)
		Jun. 2025	Outside Director, SIGMAXYZ Holdings Inc. (scheduled to assume the position)

■ Significant concurrent positions outside the Company

- Outside Director, SIGMAXYZ Holdings Inc. (scheduled to assume the position)

■ Reasons for the nomination as a candidate for Outside Director and overview of expected role

Ms. Mariko Eguchi has extensive experience and insight in corporate management developed over many years at financial institutions in and outside Japan, specializing in investment banking and corporate communications. The Board of Directors has full confidence in her ability to carry out her responsibilities at the Company, including making important management decisions and supervising the execution of business. Based on the above reasons, the Board of Directors has nominated her as a candidate for Outside Director.

The Board of Directors expects that she will continue to fulfill the above role after being elected. It is also planned to appoint her as a member of the Nomination Advisory Committee after her election.

(Note 1) The respective ages stated for each candidate are current as of June 27, 2025.

(Note 2) The status of attendance to the Board of Directors meetings stated for each candidate is based on data for fiscal 2024 (from April 1, 2024, to March 31, 2025).

■ The candidates for Directors

1. Independent officer

The Company has deemed that the candidates for Outside Directors have a high degree of independence because they satisfy the Company's Standards for Determination of Independence of Outside Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that the candidates have been appointed as independent officers as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. Moreover, the newly nominated candidate for Outside Director also satisfies the criteria for independent officers stipulated by the Tokyo Stock Exchange and the Company's Standards for Determination of Independence. If the candidate's election is approved, the Company plans to submit notification that the candidate has been appointed as an independent officer.

2. Entering into a limited liability agreement

Pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with the candidates for Outside Directors to limit their liability for damages arising from neglecting their duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations. If the candidates for Outside Directors are elected, the Company plans to renew the aforementioned limited liability agreement. If the election of the newly nominated candidate for Outside Director is approved, the Company plans to enter into the aforementioned limited liability agreement with her.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as the amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who have been seconded or dispatched from the Company. The insurance premiums are covered entirely by the Company and its Group companies.

If the election of each candidate for Director is approved, they will become insureds under the policy, and the Company plans to renew the policy with each candidate on July 1, 2025.

Proposal No. 3

Proposal No. 3: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this general meeting. Accordingly, the Company proposes to elect three (3) Directors who are Audit and Supervisory Committee Members. Prior to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current Position in the Company				Status of attendance to Board of Directors meetings	Status of attendance to Audit and Supervisory Committee meetings
1	Tomihiko Nagafuchi	Director (Full-time Audit and Supervisory Committee Member)	Reelection			100% (18/18)	100% (19/19)
2	Akemi Mochizuki	Outside Director (Audit and Supervisory Committee Member)	Reelection	Outside	Independent	100% (18/18)	100% (19/19)
3	Chieko Tsuchiya	—	New Election	Outside	Independent	—	—

No.	Tomihiko Nagafuchi		Reelection	
1	Date of Birth	September 25, 1964 (Age 60)	Number of the Company's Shares Owned	3,220 Shares
	Current Position in the Company	Director (Full-time Audit and Supervisory Committee Member)	Status of attendance to Board of Directors meetings	100% (18/18)
	Tenure as a Director	2 years (at the conclusion of this general meeting)	Status of attendance to Audit and Supervisory Committee meetings	100% (19/19)
			Material relationship with the Company	None

■ Career summary, position and responsibility in the Company

Apr. 1987	Joined the Company
Apr. 2014	Head of the Internal Auditing Department, TSUMURA & CO.
Apr. 2023	General Manager, TSUMURA & CO.
Jun. 2023	Director (Full-time Audit and Supervisory Committee Member), TSUMURA & CO. (incumbent)

■ Significant concurrent positions outside the Company

No significant concurrent positions.

■ Reasons for the nomination as a candidate for Director who is an Audit and Supervisory Committee Member

Mr. Tomihiko Nagafuchi has extensive operational experience related to internal auditing and internal control through his duties as Head of Internal Auditing Department of the Company for many years. Since his appointment as a Director who is an Audit and Supervisory Committee Member in 2023, he has provided appropriate supervision of the Company's execution of business as a Full-time Audit and Supervisory Committee Member by conducting assurance and consulting activities, systematic audits through collaboration with the internal auditing department, monitoring of important meetings, inspection of important documents, and more from an independent and objective standpoint. Based on the above reasons, the Board of Directors has judged that he will continue to appropriately execute his duties in order to ensure the legality, soundness, and appropriateness of decision-making associated with the Company's management as well as enhancing its transparency and has nominated him as a candidate for Director who is an Audit and Supervisory Committee Member. The Board of Directors expects that he will continue to fulfill the above role after being elected.

No.	Akemi Mochizuki		Reelection	Outside	Independent
2	Date of Birth	June 10, 1954 (Age 71)	Number of the Company's Shares Owned	3,500 Shares	
	Current Position in the Company	Outside Director (Audit and Supervisory Committee Member)	Status of attendance to Board of Directors meetings	100% (18/18)	
	Tenure as an Outside Director	6 years (at the conclusion of this general meeting)	Status of attendance to Audit and Supervisory Committee meetings	100% (19/19)	
			Material relationship with the Company	None	

■ Career summary, position and responsibility in the Company

Oct. 1984	Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)	Jul. 2018	Partner, AKAHOSHI AUDIT CORPORATION (scheduled to retire in June 2025)
Mar. 1988	Registered as a certified public accountant	Jun. 2019	Outside Director (Audit and Supervisory Committee Member), TSUMURA & CO. (incumbent)
Aug. 1996	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)		
Jun. 2001	Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)	Jun. 2021	Outside Corporate Auditor, Asahi Kasei Corp. (incumbent)
Jul. 2018	Independent Director, Audit Committee Member, NSK Ltd.	Jul. 2022	Statutory Auditor (Part-time), SBI Holdings, Inc. (incumbent)

■ Significant concurrent positions outside the Company

- Partner, AKAHOSHI AUDIT CORPORATION (scheduled to retire in June 2025)
- Outside Corporate Auditor, Asahi Kasei Corp.
- Statutory Auditor (Part-time), SBI Holdings, Inc.

■ Reasons for the nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Ms. Akemi Mochizuki has extensive experience as a certified public accountant that is well versed in finance and accounting, is involved in the company management and has sufficient knowledge to oversee management. Other than serving as an outside director, she has never been involved with corporate management. However, at the Board of Directors, Audit and Supervisory Committee and Nomination Advisory Committee, she proactively makes statements and deepens discussions from the perspective of group governance. Based on the above reasons, the Board of Directors has judged that she appropriately executes her duties in order to ensure the legality, soundness and appropriateness of decision-making associated with the Company's management as well as enhancing its transparency and has nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member. The Board of Directors expects that she will continue to fulfill the above role after being elected.

It is also planned to appoint her as a member of the Nomination Advisory Committee again after her election.

No.	Chieko Tsuchiya		New Election	Outside	Independent
3	Date of Birth	January 27, 1971 (Age 54)	Number of the Company's Shares Owned	0 Shares	
	Current Position in the Company	—	Status of attendance to Board of Directors meetings	—	
	Tenure as an Outside Director	—	Status of attendance to Audit and Supervisory Committee meetings	—	
			Material relationship with the Company	None	

■ Career summary, position and responsibility in the Company

Apr. 1993	Joined Citibank, N.A.	Apr. 2015	Joined Anderson Mori & Tomotsune
Oct. 2001	Registered as an attorney at law Joined Law Offices of Hideyuki Sakai (Bingham Sakai Mimura Aizawa (foreign law joint enterprise))	Apr. 2016	Part-time Judge of Tokyo Family Court (Domestic Relations Conciliator)
		Jan. 2019	Special Counsel, Anderson Mori & Tomotsune (incumbent)
Apr. 2006	Registered as an attorney in New York State	Sep. 2021	Consultant, Tilleke & Gibbins International Ltd. (Thailand)
Sep. 2012	Legal Officer, International Atomic Energy Agency (IAEA)	Mar. 2025	Outside Director, Audit and Supervisory Committee Member, MICRONICS JAPAN CO., LTD. (incumbent)

■ Significant concurrent positions outside the Company

- Special Counsel, Anderson Mori & Tomotsune
- Outside Director, Audit and Supervisory Committee Member, MICRONICS JAPAN CO., LTD.

■ Reasons for the nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Ms. Chieko Tsuchiya is well versed in corporate legal affairs as an attorney at law, and, through the engagement in transactions between global companies, etc., has sufficient knowledge to oversee corporate management. Although she has never been involved with corporate management, the Board of Directors has judged that she appropriately executes her duties in order to ensure the legality, soundness and appropriateness of decision-making associated with the Company's management as well as enhancing its transparency and has nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member. The Board of Directors expects that she will continue to fulfill the above role after being elected. It is also planned to appoint her as a member of the Nomination Advisory Committee after her election.

(Note 1) The age stated for the candidate is current as of June 27, 2025.

(Note 2) The status of attendance to the Board of Directors meetings and that to Audit and Supervisory Committee meetings stated for each candidate are based on data for fiscal 2024 (from April 1, 2024, to March 31, 2025).

■ The candidates for Directors who are Audit and Supervisory Committee Members

1. Independent officer

The Company has deemed that the candidates for Outside Directors who are Audit and Supervisory Committee Members have a high degree of independence because they satisfy the Company's Standards for Determination of Independence of Outside Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that the candidates have been appointed as independent officers as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. Moreover, the newly nominated candidate for Outside Director who is an Audit and Supervisory Committee Member also satisfies the criteria for independent officers stipulated by the Tokyo Stock Exchange and the Company's Standards for Determination of Independence. If the candidate's election is approved, the Company plans to submit notification that the candidate has been appointed as an independent officer.

2. Entering into a limited liability agreement

Pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with the candidates for Directors who are Audit and Supervisory Committee Members to

limit their liability for damages arising from neglecting their duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations. If the candidates for Directors who are Audit and Supervisory Committee Members are elected, the Company plans to enter the aforementioned limited liability agreement with them. If the election of the newly nominated candidate for Outside Director who is an Audit and Supervisory Committee Member is approved, the Company plans to entered into the aforementioned limited liability agreement with her.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as the amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who have been seconded or dispatched from the Company. The insurance premiums are covered entirely by the Company and its Group companies.

If the election of each candidate for Director is approved, they will become insureds under the policy, and the Company plans to renew the policy with each candidate on July 1, 2025.

Proposal No. 4

Proposal No. 4: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

The effective term of substitute Director who is an Audit and Supervisory Committee Member Ms. Chieko Tsuchiya, who was elected at the 87th Ordinary General Meeting of Shareholders held on June 29, 2023, will expire at the beginning of this General Meeting of Shareholders. In preparation for lacking the number of Directors who are Audit and Supervisory Committee Members stipulated by laws and regulations, the Company proposes to elect one (1) substitute Director who is an Audit and Supervisory Committee Member.

Note that the effectiveness of election of the substitute Director who is an Audit and Supervisory Committee Member may be rescinded by a resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained, only before the assumption of office. Prior to this proposal, the Company has already obtained the consent of the Audit and Supervisory Committee.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Norie Yamaoka		Outside	Independent
Date of Birth	May 3, 1965 (Age 60)	Number of the Company's Shares Owned	0 Shares
		Material relationship with the Company	None

■ Career summary, position and responsibility in the Company

Apr. 1988	Joined J.P. Morgan & Co. (currently JP Morgan Chase Bank)	Dec. 2003	Joined Citibank, N.A. Senior Vice President of Accounting Policy, Finance Division,
Oct. 1995	Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)	Nov. 2018	Joined Nippon densan Co., Ltd., Overseas Business Management Department
Dec. 1997	Joined KPMG New York office	Oct. 2021	Joined Mitsubishi Materials Corporation, General Manager of Internal Auditing Department (incumbent)
Apr. 2001	Registered as a certified public accountant		

■ Significant concurrent positions outside the Company

- General Manager, Internal Auditing Department, Mitsubishi Materials Corporation

■ Reasons for the nomination as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Ms. Norie Yamaoka is well-versed in finance and accounting as a certified public accountant, and due to her duties at financial institutions and as head of auditing in the manufacturing field, she has extensive experience, is involved in the company management and has sufficient knowledge to oversee management. Although she has never been involved with corporate management, the Board of Directors has judged that she appropriately executes her duties in order to ensure the legality, soundness and appropriateness of decision-making associated with the Company's management as well as enhancing its transparency and has nominated her as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.

(Note 1) The age stated for the candidate is current as of June 27, 2025.

■ The candidate for substitute Director who is an Audit and Supervisory Committee Member

1. Independent officer

The Company has deemed that the candidate for substitute Director who is an Audit and Supervisory Committee Member has a high degree of independence because he/she satisfies the Company's Standards for Determination of Independence of Outside Directors. If the candidate for substitute Director who is an Audit and Supervisory Committee Member is elected as a Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc. that the candidate has been appointed as an independent officer.

2. Entering into a limited liability agreement

If the candidate for substitute Director who is an Audit and Supervisory Committee Member assumes the position of Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with the candidate pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation to limit his/her liability for damages arising from neglecting his/her duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as the amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who have been seconded or dispatched from the Company. The insurance premiums are covered entirely by the Company and its Group companies.

If the candidate for substitute Director who is an Audit and Supervisory Committee Member is elected as Director who is an Audit and Supervisory Committee Member, the Company plans to include the candidate as an insured under the policy.

(Reference)

Standards for Determination of Independence

Outside Directors who do not fall under any of the following items shall be determined to have independence.

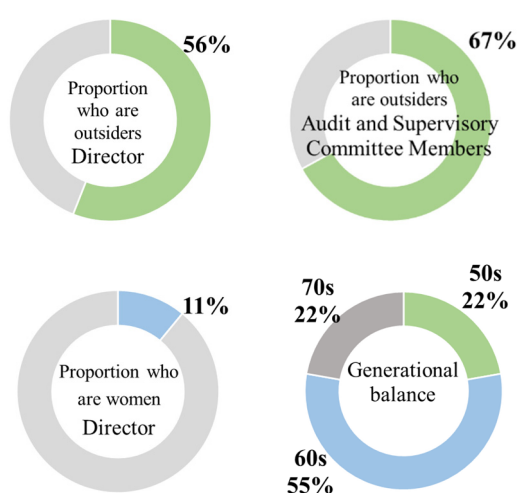
-
1. A person who is or was in the past ten (10) years an Executive Director, Executive Officer (Shikkoyaku), Executive Officer (Shikkoyakuin), Manager, General Manager, employee, etc. (hereinafter referred to as “executives”) of the Company or its consolidated subsidiaries
 2. Persons or executives of a legal entity holding, whether directly or indirectly, 10% or more of the total number of voting rights of the Company
 3. A party for whom the Company or its consolidated subsidiaries^(*) is a major business partner or executives of such party
 - *1. A party receiving payment from the Company or its consolidated subsidiaries equivalent to 2% or more of its annual net sales (non-consolidated) or monetary finance from the Company or its consolidated subsidiaries equivalent to 2% or more of its consolidated total assets in the most recent fiscal year
 4. A major business partner of the Company or its consolidated subsidiaries^(*) or the executives of such business partner
 - *2. A business partner from whom the Company or its consolidated subsidiaries receives payment equivalent to 2% or more of the Company’s annual net sales or monetary finance equivalent to 2% or more of the Company’s consolidated total assets in the most recent fiscal year
 5. An audit corporation that serves as Accounting Auditor of the Company or its consolidated subsidiaries, or partners and others of the audit corporation
 6. Consultant, attorney, certified public accountant and others who provide professional services and obtain monetary and other financial benefits exceeding a cumulative amount of ¥10 million in the most recent fiscal year from the Company, excluding officer compensation
 7. Persons or executives of a legal entity receiving donations, grants and others in the amount exceeding ¥10 million from the Company or its consolidated subsidiaries in the most recent fiscal year
 8. A person to whom items 2 through 7 apply during the past three (3) years
 9. A person who is or was recently a spouse or within a second degree of consanguinity (hereinafter referred to as “close relative”) of executives in an important position of the Company or its consolidated subsidiaries
 10. A close relative of a person to whom any of the items 2 through 7 apply (excluding people who are not in an important position)
-

Approach to Diversity of Directors

The Tsumura Group formulates its long-term management visions and medium-term management plans in response to social demand and changes in the operating environment, and initiates various measures to achieve them. Along with our value creation cycle, we have, in particular, pursued and evolved a system for constantly making appropriate and prompt decisions regarding corporate governance, the foundation of management.

At present, Outside Directors account for a majority of the Directors. We have built highly effective governance systems to make decisions on important matters from diverse perspectives, such as those of people with corporate management experience, attorneys at law, and certified public accountants, and to ensure that decisions are not made based solely on the knowledge of inside directors.









We will continue to strengthen corporate governance in order to achieve sustainable growth.



(Note) The above shows the data as of the end of fiscal 2024.

Skill Matrix of the Company's Board of Directors

We have selected the following skills that the Board of Directors needs in order to carry out the decision-making and management supervisory function for achieving the long-term management vision, TSUMURA VISION “Cho-WA” 2031. If Proposal No. 2 and Proposal No. 3 are approved as originally proposed at this Ordinary General Meeting of Shareholders, the composition of the Board of Directors and the skills possessed by each Director and Audit and Supervisory Committee Member will be as follows:

	Name	Gender	Age	Outside Independent	Corporate Management	Global	Sales/ marketing	SDGs ESG	IT	Finance Financial accounting	Legal risk management	Human resources management
Directors	Terukazu Kato		61		◎	○	○	○	○	○		○
	Kei Sugii		55		○	○		◎	○			
	Hiroshi Miyake		75	●	○	○	◎	○	○			
	Tadashi Okada		69	●	○	◎ (China)		○	○		○	
	Mariko Eguchi		59	●	○	◎	○	○		○		
Directors who are Audit and Supervisory Committee Members	Tomihiko Nagafuchi		60					◎			○	
	Akemi Mochizuki		71	●						◎		
	Chieko Tsuchiya		54	●							◎	



Represents male



Represents female

(Note) The age stated above is current as of June 27, 2025.

Requirements for skill items

Corporate Management	A person who has experience as an executive officer at listed companies or has insights and experience necessary for the formulation of business strategies and has the ability to offer advice	Global	A person who has experience in overseas business management and has insights and experience regarding global corporate management
Sales/marketing	A person who has insights and experience regarding sales and marketing, or a person who is well-versed in the pharmaceutical industry and has the ability to offer appropriate advice on marketing	SDGs ESG	A person who has insights and experience in handling climate change and other environmental issues, or a person who has insights and experience regarding expertise of diversity, CSR, CSV, corporate governance, etc.
IT	A person who has insights in IT technologies, etc. and has the ability to recognize a challenge and propose solutions toward digital transformation	Finance Financial accounting	A person who has insights and experience of finance and financial accounting, or a person who has operational experience in financial institutions, or a person who is qualified as a certified public accountant or a tax accountant
Legal risk management	A person who has experience in risk management and has insights and experience of legal affairs and risks, or who is qualified as an attorney	Human resources management	A person who has experience in the formulation of human resources strategies and has insights and experience regarding the field of human resources development

* The “○” indicates the candidate meets the skill requirements, and the “◎” indicates particular expertise in that skill.

(Reference)

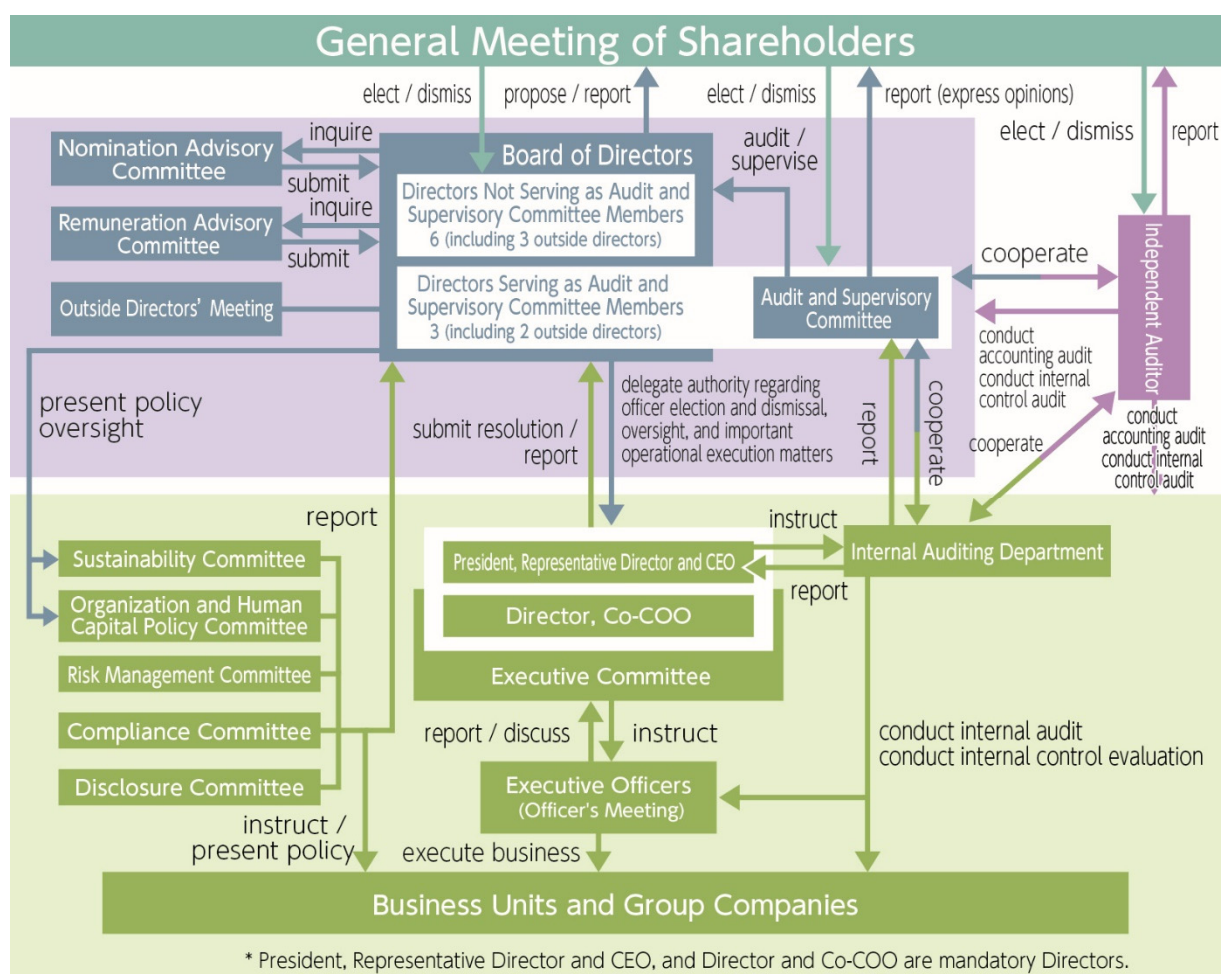
Corporate Governance of Tsumura

Basic Policy

The Tsumura Group is committed to abiding by what we call the “Spirit of Nature’s Laws” and fulfilling our ultimate purpose of facilitating “Lively Living for Everyone.” In conducting our business, we are guided by these two tenets along with our management philosophy, expressed as the “Best of Nature and Science,” and corporate mission: “To contribute to the unparalleled medical therapeutic power of the combination of Kampo medicine and Western medicine.” To achieve sustainable growth and increase our corporate value over the medium to long term, our basic policy is to strengthen our corporate governance in order to ensure sound, transparent, and fair management and make prompt and sound decisions.

In June 2017, Tsumura transitioned from the Company with Company Auditor(s) system described in the Companies Act of Japan to the Company with Audit and Supervisory Committee system. This move was aimed at reinforcing the oversight and monitoring functions of the Board of Directors. Under this system, Tsumura is working to enhance its management supervisory function and innovate its management structure by separating the supervisory function from the executive function and by appointing a majority of Outside Directors to the Board of Directors. These measures are being implemented to continuously establish the systems that will enable the Company to ensure the transparency, improve the efficiency, and maintain the soundness of management.

Overview of Corporate Governance Systems



(Note) The above shows the system in place as of the end of fiscal 2024.

Please see the Company’s website for details of corporate governance.

Proposal No. 5

Proposal No. 5: Revision of Performance-Linked Stock Compensation Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Non-executive Directors)

1. Reason for proposal and reason the compensation is appropriate

In the 86th Ordinary General Meeting of Shareholders held on June 29, 2022, the Company was given approval of the partial revision of the performance-linked stock compensation plan (hereinafter referred to as the “Plan”) for Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors) and Executive Officers (Shikkoyakuin) who have entered into a service agreement with the Company (hereinafter collectively referred to as “Directors, etc.”), and the Plan has remained the same to this day.

The Company seeks approval from shareholders for partial revisions to the details of compensation, etc. under the Plan.

In 2022, the Company established the Sustainability Vision and the long-term management vision: TSUMURA VISION “Cho-WA” 2031 (hereinafter collectively referred to as “long-term vision”) by taking a backcasting approach from the Corporate Purpose, which is Lively Living for Everyone, under the philosophy- and vision-based management that set out the Corporate Purpose. The Company has established the medium-term management plan as a milestone for the realization of the long-term vision, and aims to create new markets and improve people’s well-being with an eye to the long-term future.

On the condition that this Proposal is approved, the Company’s policy on deciding the individual compensation to be paid to Directors has been changed for the purpose of clarifying the relationship between Director compensation and the Company’s corporate value, rooted in the basic concept of Pay-for-Purpose, while promoting challenges toward the realization of the long-term visions and further raising awareness of contributions to sustainable growth and enhancement of corporate value. (Refer to pages 29 to 34.)

Since the revisions to the Plan are consistent with the policy above, the Proposal is considered to be appropriate.

In addition, although non-residents of Japan will be included in the scope of the Plan, if it is difficult to include them in the scope of the Plan due to the legal system of their country of residence or other reasons, the Company may pay them cash equivalent to the delivery of the Company’s shares, etc. in lieu of the Plan.

If Proposal No. 2: “Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” is adopted as originally proposed at this General Meeting of Shareholders, the number of Directors, etc. who are eligible for the Plan will be a total of 13, comprising two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors) and 11 Executive Officers (Shikkoyakuin); provided, however, the number of eligible persons for the Plan may vary depending on their appointment and retirement from office as Directors, etc. during the Plan period.

This Proposal is submitted based on the results of deliberations by the Remuneration Advisory Committee and the content of a resolution of the Board of Directors.

2. Amount and other details of the compensation, etc. of the Plan

(1) Overview and details of the revisions to the Plan

The Plan is a stock compensation plan under which the Company’s share will be acquired through a trust funded by money contributed by the Company, and the Company’s shares and cash equivalent to the amount from the conversion into money of the Company’s shares (hereinafter referred to as the “Company’s Shares, etc.”) are delivered to and paid to the Directors, etc. through the Trust (hereinafter referred to as “Delivery, etc.”). The Plan is composed of LTI-I, which implements Delivery, etc. of the Company’s Shares, etc. linked with the achievement ratio etc. of performance targets in the medium-term management plan based on roles, duties, etc., and LTI-II, which

implements Delivery, etc. of the Company's Shares, etc. linked with the ratio of realization of the long-term vision based on roles, duties, etc. (The details are as described in (2) below and thereafter.)

On the condition of approval by this general meeting, the following revisions have been made to the existing plan for the purpose of clarifying the relationship between Director compensation and the Company's corporate value while promoting challenges toward the realization of the long-term visions and further raising awareness of contributions to sustainable growth and enhancement of corporate value.

1) Primary revision to the Plan

Item	Pre-revision	Post-revision Plan (Underlined portions are the primary revisions)
Maximum limit of money to be contributed by the Company (as described in (2) below)	<ul style="list-style-type: none"> The maximum amount per fiscal year is ¥290 million multiplied by the number of years corresponding to the Plan period, with a maximum of ¥870 million for the three fiscal years from the initial Plan period from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025. 	<ul style="list-style-type: none"> The maximum amount per fiscal year is <u>¥350 million</u> multiplied by the number of years corresponding to the Plan period, with a maximum of <u>¥1,050 million</u> for the three fiscal years from the post-revision Plan period from the fiscal year ending on March 31, 2026 to the fiscal year ending on March 31, 2028.
Maximum limit on the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. (as described in (2) and (3) below)	<ul style="list-style-type: none"> The maximum number of points to be granted to Directors, etc. per fiscal year is 100,000 points, and the maximum number of points to be granted to Directors, etc. for the three fiscal years which are the initial Plan period is 300,000 points (the Delivery, etc. will be made to the Directors, etc. on the basis of one of the Company's Shares, etc. for each point). 	<ul style="list-style-type: none"> The maximum number of points to be granted to Directors, etc. per fiscal year is <u>120,000 points</u>, and the maximum number of points to be granted to Directors, etc. for the three fiscal years which are the post-revision Plan period is <u>360,000 points</u> (the Delivery, etc. will be made to the Directors, etc. on the basis of one of the Company's Shares, etc. for each point).

2) Overview of the post-revision Plan

(i) Persons eligible for Delivery, etc. of the Company's Shares, etc. subject to the Proposal	<ul style="list-style-type: none"> Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors) and Executive Officers (Shikkoyakuin) who have entered into a service agreement with the Company
(ii) Effect of the Company's shares subject to the Proposal on the total number of issued shares	
Maximum limit of money to be contributed by the Company (as described in (2) below)	<ul style="list-style-type: none"> The maximum amount per fiscal year is <u>¥350 million</u> multiplied by the number of years corresponding to the Plan period, with a maximum of <u>¥1,050 million</u> for the three fiscal years from the post-revision Plan period from the fiscal year ending on March 31, 2026 to the fiscal year ending on March 31, 2028.
Maximum limit on the number of the Company's Shares, etc. for Delivery, etc. to Directors, etc. and the method of acquisition of the Company's shares (as described in (2) and (3) below)	<ul style="list-style-type: none"> The maximum number of points to be granted to Directors, etc. per fiscal year is <u>120,000 points</u>, and the maximum number of points to be granted to Directors, etc. for the three fiscal years which are the post-revision Plan period is <u>360,000 points</u> (the Delivery, etc. will be made to the Directors, etc. on the basis of one of the Company's Shares, etc. for each point). The ratio of the number of the Company's shares equivalent to the points per fiscal year to the number of issued shares (as of March 31, 2025, after deduction of treasury shares) is approximately 0.2%. No dilution will occur because the Company's shares will be acquired from the stock market.

(iii) Details of performance achievement conditions (as described in (3) below)	LTI-I (Composition ratio 70%)	The performance-linked coefficient (LTI-I) will vary in the range of 15% to 150% depending on the achievement ratio, etc. of the performance targets in the medium-term management plan. The indicators for evaluating the achievement ratio, etc. of performance targets will include consolidated net sales, consolidated operating profit, consolidated ROE (average for the Plan period), and the achievement ratio, etc. of business targets to be set for each individual.
	LTI-II (Composition ratio 30%)	The performance-linked coefficient (LTI-II) will vary in the range of 0% to 150% (0% to 100% for the period until March 31, 2028) depending on the achievement ratio, etc. of the progress targets for realizing the long-term vision set for each Plan period. The indicators for evaluating the achievement ratio, etc. of progress targets will be non-financial indicators including corporate value (relative TSR ^(*)), sustainability, corporate governance, and business value (percentage of overseas business sales).
Timing of Delivery, etc. of the Company's Shares, etc. to Directors, etc. (as described in (4) below)	LTI-I	After the end of the Plan period ^(*) (after their retirement if they retire due to expiration of their terms, etc. during the Plan period)
	LTI-II	After retirement ^(*)

(*)1) TSR: Total Shareholder Returns

(*)2) However, Directors, etc. shall continue to hold the Company's shares delivered through the Plan until one year has elapsed since their retirement.

(2) Maximum limit of money to be contributed by the Company

The period covered by the Plan shall be the fiscal years covered by the Company's medium-term management plan (hereinafter referred to as the "Plan Period"). The initial post-revision Plan Period of the Plan shall be the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028.

The Company will contribute funds in trust in the amount of ¥350 million multiplied by the number of years in the relevant Plan Period (¥1,050 million for the three fiscal years that are the initial post-revision Plan Period), and establish a trust (hereinafter "the Trust") for a period equivalent to the Plan Period with Directors, etc., who satisfy the requirements of beneficiaries, as the beneficiaries. The Trust will acquire the Company's shares from the stock market all together using the money entrusted to it as the source of funds, in accordance with the instructions of the trust manager. During the Plan Period, the Company will grant points to Directors, etc. as set forth in (3) below, and the Trust will implement Delivery, etc. of the Company's Shares, etc. corresponding to the number of points.

At the expiration of the initial post-revision Plan Period, instead of newly establishing the Trust, the Trust may be continued by amending the trust agreement and making an additional trust. In this case, the number of years corresponding to the medium-term management plan the Company has established at that time will become the new Plan Period, and the trust period will be extended for the same period as the new Plan Period. The Company will make an additional contribution within the amount of ¥350 million multiplied by the number of years in the new Plan Period for each extended Plan Period, and will continue the grant of points and Delivery, etc. of the Company's Shares, etc. to Directors, etc. during each extended Plan Period.

However, in the case of such an additional contribution, when the Company's shares (excluding the Company's shares corresponding to the points granted to Directors, etc., which have not yet been implemented Delivery, etc.) and cash remain in the trust assets on the last day of the trust period before extension (hereinafter referred to as "Remaining Shares, etc."), the total amount of the

Remaining Shares, etc. and the additional funds in trust to be contributed shall be within the range of ¥350 million multiplied by the number of years of the relevant new Plan Period.

In addition, if no amendment is made to the trust agreement and an additional trust is not made at the expiration of the trust period of the Trust, points shall not be granted to Directors, etc. thereafter. However, if, at the expiration of the trust period, Directors, etc. who may satisfy the requirements for beneficiaries are still in office, the Trust may be extended for up to ten years until such Directors, etc. retire and the Delivery, etc. of the Company's Shares, etc. is completed, instead of terminating the Trust immediately.

(3) Method of calculation and maximum limit of the number of the Company's Shares, etc. to be acquired by Directors, etc.

Delivery, etc. of the Company's Shares, etc. to the Directors, etc. will be made after the Plan Period ends (after their retirement if they retire due to expiration of their terms, etc. during the Plan Period) for LTI-I and after their retirement for LTI-II as set forth in (4) below.

Directors, etc. shall be granted share delivery points (LTI-I and LTI-II) as set forth in 1) and 2) below as a prerequisite for the Delivery, etc. of the Company's Shares, etc., and Delivery, etc. will be made on the basis of one share for each point (LTI-I and LTI-II), and any fraction less than one point shall be rounded down.

1) Share delivery points (LTI-I)

The share delivery points (LTI-I) for Directors, etc. will be calculated by accumulating the total of the basic points^(*1) granted in each fiscal year during the Plan Period and multiplying the accumulated total by the performance-linked coefficient (LTI-I)^(*2) after the end of the Plan Period.

2) Share delivery points (LTI-II)

The share delivery points (LTI-II) for Directors, etc. are the total performance-linked points calculated by accumulating the total of the basic points^(*1) granted in each fiscal year during the Plan Period and multiplying the accumulated total by the performance-linked coefficient (LTI-II)^(*3) after the end of the Plan Period.

(*1) The amount determined in accordance with the compensation standards based on the roles, duties, etc. of Directors, etc., is divided by the reference share price (the average closing price of ordinary transactions (rounded down to the nearest whole number) of the Company's common shares on the Tokyo Stock Exchange in March immediately preceding the start of the Plan Period).

(*2) The performance-linked coefficient (LTI-I) will be set in the range of 15% to 150% depending on the achievement ratio, etc. of the performance targets in the medium-term management plan. The indicators for evaluating the achievement ratio, etc. of performance targets shall be consolidated net sales, consolidated operating profit, consolidated ROE (average for the Plan Period), and the achievement ratio, etc. of business targets to be set for each individual.

(*3) The performance-linked coefficient (LTI-II) will be set in the range of 0% to 150% (0% to 100% for the period until March 31, 2028) depending on the achievement ratio, etc. of the progress targets for realizing the long-term vision set for each Plan Period. The indicators for evaluating the achievement ratio, etc. of progress targets will be non-financial indicators including corporate value (relative TSR), sustainability, corporate governance, and business value (percentage of overseas business sales).

The maximum number of points to be granted to Directors, etc. for the Plan Period of the Trust shall be up to 120,000 points per fiscal year multiplied by the number of years of the Plan Period (hereinafter referred to as the "Maximum Number of Points Granted"). Therefore, the Maximum Number of Points Granted corresponding to the initial post-revision Plan Period covering three fiscal years will be 360,000 points. If the Trust is continued in accordance with (2) above, the Maximum Number of Points Granted

for the extended Plan Period shall be 120,000 points multiplied by the number of years of the new Plan Period.

This maximum total number of points has been set based on the maximum amount of funds in trust in (2) above, with reference to the most recent share price and other factors.

In the event of a stock split or reverse stock split of the Company's shares during the trust period, the Company will adjust the number of points and the Maximum Number of Points Granted to Directors, etc. in accordance with the split ratio, reverse stock split ratio, etc.

(4) Method, timing, and other terms of Delivery, etc. of the Company's Shares, etc. to Directors, etc.

1) LTI-I

The timing of Delivery, etc. of the Company's Shares, etc. for LTI-I will be after the Plan Period ends (after their retirement if they retire due to expiration of their terms, etc. during the Plan Period).

Directors, etc. who satisfy the requirements for beneficiaries will receive the Company's shares corresponding to 50% of the number of share delivery points (LTI-I) (shares of less than one unit to be rounded down). The Company's shares corresponding to the remaining number of share delivery points (LTI-I) shall be converted into cash within the Trust, and Directors, etc. shall receive a cash payment equivalent to the amount of the conversion price.

In the event that any of the Directors, etc. dies before the end of the Plan Period, the number of share delivery points (LTI-I) shall be calculated in accordance with the degree of progress of the medium-term management plan at that point in time, and the Company's shares that correspond to such points shall be converted into cash within the Trust, and the heirs of such Directors, etc. shall receive a cash payment equivalent to the amount of the conversion price.

2) LTI-II

The timing of Delivery, etc. of the Company's Shares, etc. for LTI-II will be after the retirement of Directors, etc.

Directors, etc. who satisfy the requirements for beneficiaries will receive the Company's shares corresponding to 50% of the number of share delivery points (LTI-II) (shares of less than one unit to be rounded down) calculated at the time of retirement. The Company's shares corresponding to the remaining number of share delivery points (LTI-II) shall be converted into cash within the Trust, and the Directors, etc. shall receive a cash payment equivalent to the amount of the conversion price.

In the event that any of the Directors, etc. dies during the term of office, the number of share delivery points (LTI-II) shall be calculated in accordance with the degree of progress of the long-term vision at that point in time, and the Company's shares that correspond to such points shall be converted into cash within the Trust, and the heirs of such Directors, etc. shall receive a cash payment equivalent to the amount of the conversion price.

Directors, etc. shall continue to hold the Company's shares delivered through the Plan until one year has elapsed since their retirement.

In the event of a major breach of duty or similar on the part of a Director, etc., the right to acquire the Company's Shares, etc. (both LTI-I and LTI-II) may be revoked.

(5) Handling of the dividends on the Company's shares within the Trust

The dividends for the Company's shares within the Trust shall be received by the Trust and allocated to the trust fees and expenses of the Trust.

(6) Voting rights related to the Company's shares

The voting rights for the Company's shares within the Trust shall not be exercised during the trust period in order to ensure management neutrality.

(7) Other details of the Plan

Other details regarding the Plan will be determined by the Board of Directors on each occasion when the Trust is established, the trust agreement is amended and additional contributions are made to the Trust.

(Reference)

Policy regarding decisions on the contents of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and non-executive Directors)

1. Basic policy

Compensation for the Directors of our Company will be determined based on the following policy according to the basic concept of Pay-for-Purpose.

- 1) It shall reward the realization of the vision based on philosophy-based management upholding the Corporate Purpose, which forms the basis of Tsumura's group-wide management.
- 2) It shall reward Tsumura's sustainable growth achieved by gaining the trust of stakeholders through our initiatives for sustainability and governance as well as by solving social issues.
- 3) It shall motivate them to attempt to achieve lofty goals
 - Rewarding each executive's eagerness to achieve lofty goals
 - Rewarding an accomplishment by a "management team" that is essential for achieving lofty goals

2. Compensation system

Compensation for Directors of our Company consists of basic compensation (fixed portion and portion linked to short-term performance) and performance-linked stock compensation (LTI-I, and LTI-II), in which the portion linked to short-term performance in basic compensation and the performance-linked stock-based compensation are positioned as incentives (variable compensation). The position and outline of each type of compensation is as follows.

	Type of compensation		Purpose/Outline
Fixed	Basic compensation (monetary)	Fixed portion	Fixed compensation according to roles, duties, etc.
Variable		Portion linked to short-term performance	Annual incentives to reward the Company’s performance in each fiscal year and efforts for the achievement of business targets set by each individual • The standard amount of compensation to be paid at the time of target achievement is set at a fixed ratio to the total compensation according to the role, duties, etc. • The specific amount of payment is determined in the range from 15% to 150% of the standard amount according to the business target achievement ratio in each fiscal year. • It is paid in money monthly together with the fixed portion.
		LTI-I (linked to medium-term performance)	Medium-term incentives to reward efforts to realize the medium-term management plan • With basic points assigned according to roles, duties, etc. every year and accumulated, the Company’s shares will be delivered (50% is paid in money for tax purposes) to correspond to the number of points obtained after changing such points according to the achievement ratio of the medium-term management plan and the business targets set by each individual. • The concrete number of shares to be delivered is determined within the range from 15% to 150% of the accumulated total of basic points. • As a general rule, they will be delivered in a lump sum around October immediately after the end of the medium-term management plan.

	Type of compensation	Purpose/Outline
	LTI-II (linked to long-term vision)	<p>Long-term incentives to encourage Directors to take up challenges toward realizing a long-term vision</p> <ul style="list-style-type: none"> • With basic points assigned according to their roles, duties, etc. every year and accumulated, the Company's shares will be delivered after retirement (50% is paid in money for tax payment purposes) to correspond to the total number of points obtained after changing points according to the progress status and target achievement ratio toward the realization of the long-term vision after the end of the medium-term management plan period. • The concrete number of shares to be delivered is determined within the range from 0% to 150% of the accumulated total of basic points. • As a general rule, they will be delivered in a lump sum after retirement.

3. Compensation level

Given the business environment surrounding the Company, the Company makes a comparison of compensation levels between the Company and industry peers or other companies of the same size as that of the Company in an objective manner by utilizing survey data from third-party specialists and considering the salary levels of the Company's employees, and sets compensation levels consistent with their roles, duties, etc.

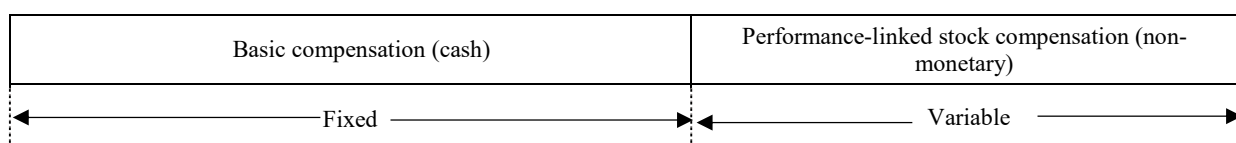
4. Composition of compensation

Regarding the ratio of compensation for the Company's Directors by type, their compensation is composed as follows so as to ensure that they contribute to the sustainable growth and enhancement of corporate value of the Company by referring to the trends of our industry peers, or those of similar size, based on survey data provided by third-party specialists.

Note that in this model the target achievement ratio explains 100% of the variable compensation of the President and Representative Director, and the more senior the position, the higher the variable compensation ratio.

■ When LTI-II is provided

Fixed portion [44%]	Portion linked to short-term performance Short-term incentive [29%]	LTI-I Medium-term incentive [19%]	LTI-II Long-term incentive [8%]
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■ When LTI-II is not provided

Fixed portion [48%]	Portion linked to short-term performance Short-term incentive [31%]	LTI-I Medium- term incentive [21%]
Basic compensation (cash)		Performance-linked stock compensation (non- monetary)
Fixed		Variable

5. Incentive compensation plan

[Short-term incentive: Portion linked to short-term performance (basic compensation)]

The payment amount of the portion linked to short-term performance in the basic compensation is determined based on the achievement ratios of consolidated net sales and consolidated operating profit in each fiscal year, which are used as indicators for numerical targets in the medium-term management plan, as well as on the achievement ratios with respect to business targets set by each Director as the person responsible for business execution.

The allocation ratio and fluctuation range of each evaluation indicator are as follows.

Allocation ratio and fluctuation range of each evaluation indicator

Evaluation indicators	Allocation ratio	Fluctuation range of coefficients
Consolidated net sales	25-35%	0-150%
Consolidated operating profit	25-35%	0-150%
Achievement ratios with respect to business targets set by each individual	30-50%	50-150%
Total	100%	15-150%

[Medium-term incentive: LTI-I (Performance-linked stock compensation)]

The number of shares to be delivered as LTI-I is determined based on the achievement ratios of consolidated net sales, consolidated operating profit, and consolidated ROE (average during the Plan Period), which are established as indicators for numerical targets in the medium-term management plan, as well as on the achievement ratios with respect to business targets set by each Director as the person responsible for business execution. At the time of share delivery, 50% of the shares to be delivered will be provided after converting them into cash for the purpose of allocating them for tax payment funds. Delivery of shares and payment of money to each Director will be carried out through the Director compensation Board Incentive Plan (BIP) Trust (hereinafter referred to as BIP Trust) of Mitsubishi UFJ Trust and Banking Corporation.

Calculation formula for the number of shares to be delivered and the allocation ratio and fluctuation range of each evaluation indicator are as follows.

(1) Calculation formula for stock compensation (linked to medium-term performance)

Basic points

= Amount determined according to compensation standards based on the role and duty, etc. of a Director
÷ Reference stock price^(*)

Number of shares to be delivered

= Cumulative number of basic points during the medium-term management plan period × Performance-linked coefficient

(*) Average value of closing prices of regular transactions of the Company's shares on the Tokyo Stock Exchange in March immediately before the start of the medium-term management plan period (decimals rounded down).

(2) Allocation ratio and fluctuation range of each evaluation indicator

Evaluation indicators	Allocation ratio	Fluctuation range of coefficients
Consolidated net sales	30%	0-150%
Consolidated operating profit	20%	0-150%
Consolidated ROE (average during the Plan Period)	20%	0-150%
Achievement ratios with respect to business targets set by each individual	30%	50-150%
Total	100%	15-150%

[Long-term incentive: LTI-II (Performance-linked stock compensation)]

The number of shares to be delivered as LTI-II is determined based on the achievement ratios related to “corporate value, sustainability, corporate governance, and business value” during the period corresponding to the medium-term management plan. At the time of share delivery, 50% of the shares to be delivered will be provided after converting them into cash for the purpose of allocating them for tax payment funds. Delivery of shares and payment of money to each Director will be carried out through BIP Trust.

Calculation formula for the number of shares to be delivered and the allocation ratio and fluctuation range of each evaluation indicator are as follows.

(1) Calculation formula for stock compensation (linked to long-term vision)

Basic points

= Amount determined according to compensation standards based on the role and duty, etc. of a Director
÷ Reference stock price(*)

Performance-linked points

= Cumulative number of basic points during the medium-term management plan period × Performance-linked coefficient

Number of shares to be delivered

= Total value of performance-linked points up to the time of retirement

(*) Average value of closing prices of regular transactions of the Company's shares on the Tokyo Stock Exchange in March immediately before the start of the medium-term management plan period (decimals rounded down).

(2) Purpose and concept for the selection of each evaluation indicator

Evaluation indicators		Concept for indicator selection
Corporate value	Relative TSR* (Comparison of TOPIX growth rates)	<ul style="list-style-type: none"> • An indicator that measures the realization ratio of a long-term vision • Aiming to share value with shareholders while increasing their willingness to contribute to the realization of a long-term vision and the enhancement of corporate value
Sustainability	<ul style="list-style-type: none"> • Reduction of GHG emissions • Development of cultivation of wild crude drugs, etc. 	<ul style="list-style-type: none"> • An indicator that measures the realization ratio of sustainability • Aiming to promote initiatives and raise awareness for the realization of sustainable business activities such as conservation of the natural environment and the development of cultivation of crude drugs

Evaluation indicators		Concept for indicator selection
Corporate governance	<ul style="list-style-type: none"> • Diversity in management teams, etc. 	<ul style="list-style-type: none"> • An indicator that measures the realization ratio of sustainability and promotes the realization of a long-term management vision • Aiming to promote the formation of a management team across the entire Tsumura Group, including overseas bases capable of making timely and appropriate management decisions, that can drive the creation of medium- to long-term corporate value, including business structure transformation
Business value	Sales ratio of overseas business	<ul style="list-style-type: none"> • An indicator that measures the realization ratio of a long-term management vision • Aiming to build a foundation for overseas business and increase willingness to contribute to enhance corporate value through growth in overseas markets

* TSR stands for “total shareholder returns.” The ratio of the Company’s TSR to the TOPIX growth rate will be used.

(3) Allocation ratio and fluctuation range of each evaluation indicator and main target values

Evaluation indicators		Allocation ratio	Fluctuation range of coefficients	Main target value
Corporate value	Relative TSR (Comparison of TOPIX growth rates)	25%	0-200% (From 0% to 100% during the period until March 31, 2028)	1.0
Sustainability	<ul style="list-style-type: none"> • Reduction of GHG emissions • Development of cultivation of wild crude drugs, etc. 	25%	0-100%	50% reduction in GHG emissions at the end of fiscal 2031 (compared to fiscal 2020), etc.*
Corporate governance	• Diversity in management team, etc.	25%	0-100%	*
Business value	Sales ratio of overseas business	25%	0-200% (From 0% to 100% during the period until March 31, 2028)	50% at the end of fiscal 2031*
Total		100%	0-150% (From 0% to 100% during the period until March 31, 2028)	

* If the achievement ratio is less than 100% or 80% according to the evaluation indicator, the coefficient will be 0%.

6. Shareholding rule

Directors shall continue to hold the Company’s shares delivered through performance-linked stock compensation until one year has elapsed since their retirement.

7. Process for determining compensation

With the aim of enhancing the objectivity and transparency of the deliberation process, a standard amount of compensation for the Directors of the Company, a performance evaluation method, and rules for calculating the determined amount according to the performance evaluation results will be determined by a resolution of the Board of Directors based on the results of deliberation by the Remuneration Advisory Committee (composed of one internal Director and two independent Outside Directors with one of the independent Outside Directors serving as a chairperson), within the range of the total amount resolved at the general meeting of shareholders. Of these, the performance evaluation method and the rules for calculating the

determined amount according to performance evaluation results are to be stipulated in the internal rules; their revision is determined by a resolution by the Board of Directors based on the deliberation and report by the Remuneration Advisory Committee. Note that the portion linked to short-term performance of the basic compensation and determination of the achievement ratio with respect to business targets set by each individual in LTI-I should be delegated to the Remuneration Advisory Committee.

Policy and procedures regarding the determination of compensation for non-executive Directors who are not Audit and Supervisory Committee Members as well as for Directors who are Audit and Supervisory Committee Members

Compensation for non-executive Directors who are not Audit and Supervisory Committee members and Directors who are Audit and Supervisory Committee Members shall be limited to basic compensation (fixed portion/monetary) in view of their role of supervising the management of the Company from an objective and independent standpoint.