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Securities Code: 4540
Date of sending by postal mail: June 5, 2026
Start date of measures for electronic provision: May 29, 2026

To Our Shareholders:

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

# Notice of the 90th Ordinary General Meeting of Shareholders

We are pleased to announce that the 90th 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 25, 2026 (JST)**.

1. **Date and Time:** Friday, June 26, 2026, 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 90th fiscal year (from April 1, 2025, to March 31, 2026) 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 90th fiscal year (from April 1, 2025, to March 31, 2026)

**Matters to be resolved**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

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) "Matters concerning the accounting auditor," "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

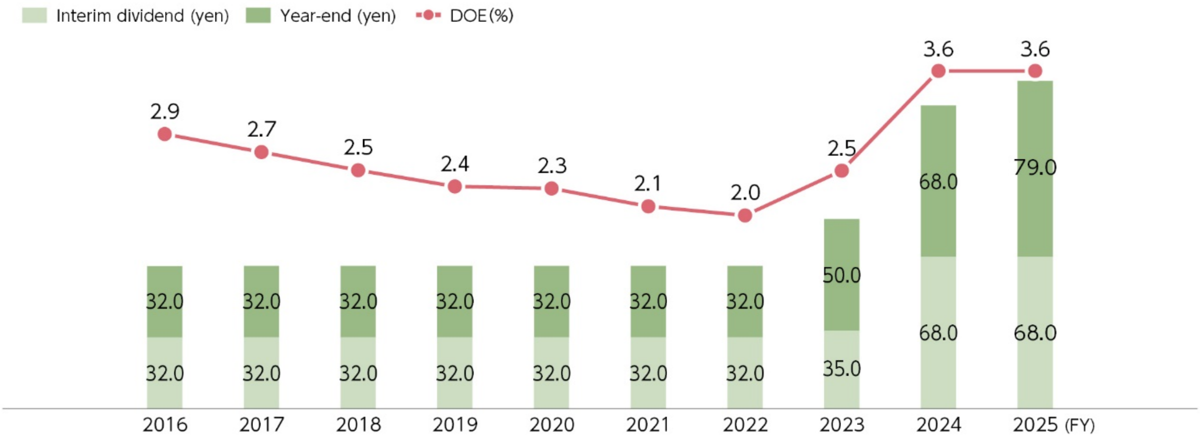
**Proposal No. 1:** Appropriation of Surplus

The Company regards the return of profit to shareholders as its important policy. We are striving to increase corporate value through sustainable business growth in Japan and implementing growth investments and laying the foundations for the China business, while pursuing optimal shareholder returns based on an optimal capital structure that ensures medium- and long-term profit levels and financial soundness. To achieve the target DOE level of 5% by fiscal 2031, we will steadily implement dividend management.

▶ Year-end dividends

1) Type of dividend property
   Cash
2) Allotment of dividend property and the aggregate amount
   Dividend per common share of the Company: ¥79
   Total dividends: ¥5,947,896,017
3) Effective date of payment of dividends of surplus
   June 29, 2026

▶ Trend of Dividends




(Note 1) Concerning the dividends per share and DOE for fiscal 2025 (fiscal year ended March 31, 2026), matters concerning the dividends per share of common stock are being presented as a proposal of the 90th 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:** Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five (5) 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 seven (7) 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 at Board of Directors meetings |
|---|---|---|---|---|
| 1 | Terukazu Kato | Reelection | President, Representative Director and CEO | 100% (20/20) |
| 2 | Kei Sugii | Reelection | Director and COO | 100% (20/20) |
| 3 | Akihito Konda | New election | CTO | – |
| 4 | Tadashi Okada | Reelection Outside Independent | Outside Director | 100% (20/20) |
| 5 | Mariko Eguchi | Reelection Outside Independent | Outside Director | 100% (16/16) |
| 6 | Junichiro Nakatsuka | New election Outside Independent | – | – |
| 7 | Kaipin Kui | New election Outside | – | – |

| No. 1 | Terukazu Kato | Reelection | | |
|---|---|---|---|---|
| | **Date of Birth** | August 26, 1963 (Age 62) | **Number of the Company's Shares Owned** | 49,300 shares |
| | **Current Position in the Company** | President, Representative Director and CEO | **Status of attendance at Board of Directors meetings** | 100% (20/20) |
| | **Tenure as a Director** | 15 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 |
| Aug. 2001 | President and Representative Director, TSUMURA USA, INC. |
| Jan. 2006 | Head of Public Relations Department, TSUMURA & CO. |
| Apr. 2007 | General Manager, Head of Corporate Communications Department, TSUMURA & CO. |
| Jun. 2011 | Director and Executive Officer, Head of Corporate Communications Department, TSUMURA & CO. |
| Jun. 2012 | President and Representative Director, TSUMURA & CO. |
| Jun. 2015 | President and Representative Director and President and Executive Officer, TSUMURA & CO. |
| Jun. 2019 | President, Representative Director and CEO, TSUMURA & CO. (incumbent) |

**▸ 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 strengthened the Company's corporate governance system in several phases. Under his leadership, the Board of Directors has been structured with a majority of Outside Directors, and the Nomination Advisory Committee and Remuneration Advisory Committee have been established with Outside Directors serving as the majority of members and as committee chairpersons, enabling deliberations based on active discussion. In April 2026, the Company introduced an internal company system. By clarifying the responsibility structure for each of its three businesses and expanding the delegation of authority to each company president, the Company aims to accelerate decision-making and enhance profitability while gradually developing mechanisms for an independent profit management system. In this way, he has worked to further enhance the effectiveness of the Board of Directors and has fully performed his role in making important management decisions and supervising business execution. In addition, he delegated business execution authority to the Director, COO, and finalized the group-wide management policy as well as the corporate strategy as President and 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 as a Director is approved, Mr. Kato will assume the position of President, Representative Director and CEO of the Company.

| No. 2 | Kei Sugii | | Reelection | |
|---|---|---|---|---|
| | **Date of Birth** | December 16, 1969 (Age 56) | **Number of the Company's Shares Owned** | 10,900 shares |
| | **Current Position in the Company** | Director and COO | **Status of attendance at Board of Directors meetings** | 100% (20/20) |
| | **Tenure as a Director** | 4 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. |
| Apr. 2016 | Head of SCM Planning Department, TSUMURA & CO. | Apr. 2026 | Director, COO and President, Prescription Pharmaceuticals Company, TSUMURA & CO. (incumbent) |
| 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. In June 2022, he assumed the position of Director, Co-COO. Since April 2026, he has served as COO and President, Prescription Pharmaceuticals Company, taking responsibility for advancing the businesses that form the core of the Company's operations. In addition, as he also possesses practical experience in the digital transformation (DX) field, the Company has nominated him as a candidate for Director based on its judgment that he will leverage both his experience as an executive responsible for business operations and his expertise in DX to play a sufficient role in making important management decisions and supervising business execution at the Board of Directors meetings, thereby contributing to the enhancement of corporate value. If his election as a Director is approved, Mr. Sugii will assume the position of Director and COO of the Company.

| No. 3 | Akihito Konda | | New Election | |
|---|---|---|---|---|
| | **Date of Birth** | August 6, 1969 (Age 56) | **Number of the Company's Shares Owned** | 6,200 shares |
| | **Current Position in the Company** | CTO | **Status of attendance at Board of Directors meetings** | – |
| | **Tenure as a Director** | – | **Material relationship with the Company** | None |

**▸ Career summary, position and responsibility in the Company**

| | |
|---|---|
| Apr. 1992 | Joined the Company |
| Apr. 2010 | General Manager of First Hospital Sales Department, Tokyo Regional Branch, Sales & Marketing Division, TSUMURA & CO. |
| Apr. 2013 | General Manager of Therapeutic Area Promotion Department, Kampo Scientific Strategies Division, TSUMURA & CO. |
| Apr. 2017 | General Manager, Head of Kampo Scientific Strategies Division, TSUMURA & CO. |
| Apr. 2020 | Executive Officer, Head of Kampo Research & Development Division, Supervising the International Pharmaceutical Research & Development Division and Kampo Scientific Strategies Division, TSUMURA & CO. |
| Apr. 2024 | Executive Officer, Head of Research & Development Division, Supervising the International Pharmaceutical Research & Development Division and Marketing Division, TSUMURA & CO. |
| Apr. 2025 | CTO and Head of Research & Development Division, TSUMURA & CO. |
| Apr. 2026 | CTO and Head of Research & Development Division, Research & Development Unit, Prescription Pharmaceuticals Company, TSUMURA & CO. (incumbent) |

**▸ Significant concurrent positions outside the Company**

No significant concurrent positions.

**▸ Reasons for the nomination as a candidate for Director**

Following his experience as Head of Kampo Scientific Strategies Division, Mr. Akihito Konda has served as Executive Officer, Head of Kampo Research & Development Division since April 2020, CTO and Head of Research & Development Division since April 2025, and CTO and Head of Research & Development Division, Research & Development Unit, Prescription Pharmaceuticals Company since April 2026. He possesses specialized expertise and extensive practical experience in technology and R&D across the entire Tsumura Group, and is responsible for overseeing the execution of all operations related to technology and R&D planning in line with strategies aimed at realizing the Group's vision. Based on the above, the Company has nominated him as a candidate for Director, judging that having him play a role in promoting R&D strategy and management strategy in an integrated manner at the Board of Directors meetings will contribute to enhancing corporate value. If his election as a Director is approved, Mr. Konda will assume the position of Director, CTO and Head of Research & Development Division, Research & Development Unit, Prescription Pharmaceuticals Company.

| No. 4 | Tadashi Okada | | Reelection Outside Independent | |
| --- | --- | --- | --- | --- |
| | **Date of Birth** | May 1, 1956 (Age 70) | **Number of the Company's Shares Owned** | 1,500 shares |
| | **Current Position in the Company** | Outside Director | **Status of attendance at Board of Directors meetings** | 100% (20/20) |
| | **Tenure as a Director** | 6 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. 2011 | Senior Executive Officer, President of Industrial Machinery Division, Komatsu Ltd. |
| Apr. 2003 | Vice President of Komatsu (China) Ltd. | Apr. 2014 | Senior Executive Officer, Supervising Corporate Communications, CSR, General Affairs, and Compliance, Komatsu Ltd. |
| Apr. 2006 | General Manager of Corporate Communications Department, Komatsu Ltd. | Jun. 2017 | Representative Director and Chairman of QUALICA Inc. |
| Apr. 2007 | Executive Officer, General Manager of Corporate Communications Department, Komatsu Ltd. | Jun. 2020 | Outside Director, TSUMURA & CO. (incumbent) |
| Apr. 2008 | Executive Officer, General Manager of Corporate Planning Division, Komatsu 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. 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 particular, through his management experience in a position responsible for leading core overseas operations, he has developed advanced expertise in management decision-making and strategic execution based on a global business environment. 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 from multifaceted perspectives, including a global viewpoint. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director. Following his election as a Director, the Company expects him to continue fulfilling the above roles by leveraging the global experience and expertise he has cultivated over the years. It is also planned to appoint him as a member of the Nomination Advisory Committee and Remuneration Advisory Committee after his election.

| No. 5 | Mariko Eguchi | | Reelection Outside Independent | |
|---|---|---|---|---|
| | **Date of Birth** | March 13, 1966 (Age 60) | **Number of the Company's Shares Owned** | 200 shares |
| | **Current Position in the Company** | Outside Director | **Status of attendance at Board of Directors meetings** | 100% (16/16) |
| | **Tenure as a Director** | 1 year (at the conclusion of this general meeting) | **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.<br>Director, Asia Pacific Public Relations Division |
| Apr. 1999 | Joined Nikko Salomon Smith Barney Limited (currently Citigroup Global Markets Japan Inc.)<br>Vice President, Investment Banking Division | Feb. 2020 | Joined Aflac Life Insurance Japan Ltd.<br>Executive Officer, Public Relations Department, Office for the Promotion of Social and Public Activities |
| Aug. 2006 | Joined UBS Securities Japan Co., Ltd., Director of Investment Banking | Jan. 2024 | Advisor, Aflac Life Insurance Japan Ltd. |
| May 2008 | Director, Public Relations Division (Corporate Communications & Branding), UBS Group | Jun. 2025 | Outside Director, SIGMAXYZ Holdings Inc. (incumbent)<br>Outside Director, TSUMURA & CO. (incumbent) |

▸ **Significant concurrent positions outside the Company**

• Outside Director, SIGMAXYZ Holdings Inc.

▸ **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. In particular, she possesses practical experience and expertise in global business environments. At the Company, she has fully performed her role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination Advisory Committee, she proactively makes statements and deepens discussions contributing to the sustainable enhancement of corporate value from multifaceted perspectives, including a global viewpoint. 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 as a Director. It is also planned to appoint her as a member of the Nomination Advisory Committee and Remuneration Advisory Committee after her election.

| No. 6 | Junichiro Nakatsuka | | New Election Outside Independent | |
|---|---|---|---|---|
| | **Date of Birth** | November 9, 1963 (Age 62) | **Number of the Company's Shares Owned** | 400 shares |
| | **Current Position in the Company** | – | **Status of attendance at Board of Directors meetings** | – |
| | **Tenure as a Director** | – | **Material relationship with the Company** | None |

**▸ Career summary, position and responsibility in the Company**

| | |
|---|---|
| Apr. 1986 | Joined Mitsubishi Corporation |
| Apr. 2012 | Sales General Manager, Power Systems Export Unit, Mitsubishi Corporation |
| Mar. 2014 | General Manager, Power Systems International Department, Mitsubishi Corporation |
| Apr. 2017 | President, Mitsubishi Corporation (Shanghai) Ltd. |
| Apr. 2021 | Chief Representative for China, President, Mitsubishi Corporation China Co., Ltd. |
| Apr. 2023 | President & CEO, Mitsubishi Corporation Machinery, Inc. |
| Jun. 2025 | Director, JEE POWER Co., Ltd. (incumbent) |

**▸ Significant concurrent positions outside the Company**

• Director, JEE POWER Co., Ltd.

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

Mr. Junichiro Nakatsuka has extensive experience and insight as a corporate manager developed over many years and has business experience in and outside Japan. In China, he served as president of a local subsidiary of a general trading company and possesses extensive experience and insight related to business operations in China. In particular, through his management experience at the forefront of overseas operations, he has developed advanced expertise and practical experience in corporate management and strategic execution based on a global business environment. The Board of Directors has full confidence in his ability to carry out his 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 him as a candidate for Outside Director. Following his election as a Director, the Company expects him to fulfill the above roles by leveraging the global experience and perspective he has cultivated over the years. It is also planned to appoint him as a member of the Nomination Advisory Committee and Remuneration Advisory Committee after his election.

| No. 7 | Kaipin Kui | | New Election Outside | |
|---|---|---|---|---|
| | **Date of Birth** | August 28, 1984 (Age 41) | **Number of the Company's Shares Owned** | – |
| | **Current Position in the Company** | – | **Status of attendance at Board of Directors meetings** | – |
| | **Tenure as a Director** | – | **Material relationship with the Company** | Yes |

**▸ Career summary, position and responsibility in the Company**

| | |
|---|---|
| May 2012 | Joined Ping An Insurance (Group) Company of China, Ltd. |
| Nov. 2016 | Joined China Ping An Insurance Overseas (Holdings) Limited |
| Aug. 2018 | Assistant General Manager, China Ping An Insurance Overseas (Holdings) Limited |
| Aug. 2021 | Deputy General Manager, China Ping An Insurance Overseas (Holdings) Limited (incumbent) |

**▸ Significant concurrent positions outside the Company**

• Deputy General Manager, China Ping An Insurance Overseas (Holdings) Limited

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

Mr. Kaipin Kui has experience and a proven track record as the executive responsible for supervising the private equity investment division of Ping An Overseas, part of the Ping An Insurance Group, a major shareholder of the Company. In particular, he has played a leading role in the strategic investment in the Company from the outset, and the Company believes that, based on his deep understanding of the Company's China business as well as his extensive experience and insight, he will appropriately contribute to decision-making on important management matters and the supervision of business execution, while also supporting the further development of the Company's China business. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director. The Board of Directors expects that he will continue to fulfill the above role after being elected as a Director. It is also planned to appoint him as a member of the Nomination Advisory Committee and Remuneration Advisory Committee after his election.

(Note 1) Mr. Kaipin Kui, a candidate for Director, is the Deputy General Manager of China Ping An Insurance Overseas (Holdings) Limited, part of the Ping An Insurance Group, which is a major shareholder of the Company. His current and past positions and responsibilities at the said company over the past 10 years are detailed in the section titled "Career summary, position and responsibility in the Company" above. As of March 31, 2026, Ping An Insurance Group holds 10.20% of the Company's shares, making it a major shareholder. There are no special interests between him, Ping An Insurance Group, and the Company beyond this. There are no special interests between the other candidates and the Company.

(Note 2) The Company has deemed that the candidates for Outside Directors, Mr. Tadashi Okada, Ms. Mariko Eguchi and Mr. Junichiro Nakatsuka 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 Mr. Tadashi Okada, and Ms. Mariko Eguchi have been appointed as independent officers as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. If they are elected again, the Company plans to continue their appointments as independent officers. Moreover, Mr. Junichiro Nakatsuka also satisfies the criteria for independent officers stipulated by the Tokyo Stock Exchange and the Company's Standards for Determination of Independence. If his election is approved, the Company plans to submit notification that he has been appointed as an independent officer.

(Note 3) 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 incumbent 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 candidates for Outside Directors is approved, the Company plans to enter into the aforementioned limited liability agreement with them.

(Note 4) 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, 2026.

(Note 5) The respective ages stated for each candidate are current as of June 26, 2026.

(Note 6) The status of attendance at the Board of Directors meetings is based on data for fiscal 2025 (from April 1, 2025, to March 31, 2026). For Ms. Mariko Eguchi, the status of attendance is for meetings held after her appointment on June 27, 2025.

**(Reference)**

**Standards for Determination of Independence**

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

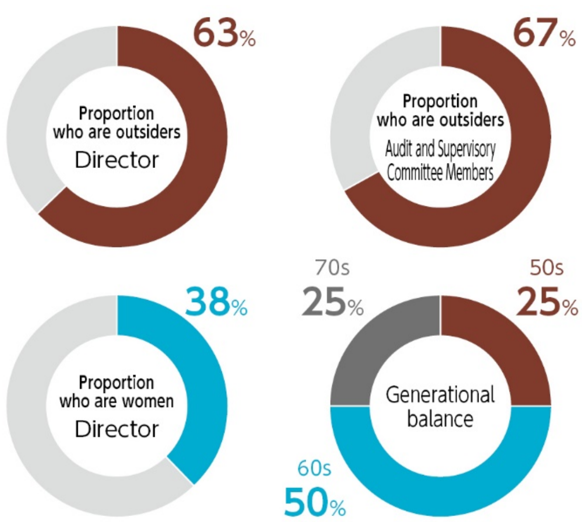
1. A person who is or was in the past ten (10) years an Executive Director, Executive Officer (Shikkoyaku), Executive Officer (Shikkoyakuin), Manager, General Manager, employee, etc. (hereinafter referred to as "executives") of the Company or its consolidated subsidiaries
2. Persons or executives of 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(*1) is a major business partner or the 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(*2) 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 March 31, 2026.

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 is 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/ Strategy | Finance/ Financial accounting | Legal/risk management | Organization/ Human capital | Global |
|---|---|---|---|---|---|---|---|---|---|
| Directors | Terukazu Kato | | 62 | | ◎ | ○ | | ○ | ○ |
| | Kei Sugii | | 56 | | ○ | | | | ○ |
| | Akihito Konda | | 56 | | | | | | |
| | Tadashi Okada | | 70 | ● | ○ | | ○ | | ◎ |
| | Mariko Eguchi | | 60 | ● | ○ | ○ | | | ◎ |
| | Junichiro Nakatsuka | | 62 | ● | ○ | | | ○ | ◎ |
| | Kaipin Kui | | 41 | | ○ | ○ | | | ◎ |
| Directors who are Audit and Supervisory Committee Members | Tomihiro Nagafuchi | | 61 | | | | | | |
| | Akemi Mochizuki | | 72 | ● | | ◎ | | | |
| | Chieko Tsuchiya | | 55 | ● | | | ◎ | | |

Represents male

Represents female

(Note) The age stated above is current as of June 26, 2026.

| | Name | Gender | Age | Outside Independent | Pharmaceutical/ Healthcare industry | Sales/ marketing | Sustainability/ ESG | IT/ Digital Transformation (DX) | Research & Development |
|---|---|---|---|---|---|---|---|---|---|
| Directors | Terukazu Kato | | 62 | | ○ | ○ | | | |
| | Kei Sugii | | 56 | | ○ | | ○ | ◎ | |
| | Akihito Konda | | 56 | | ○ | ○ | | | ◎ |
| | Tadashi Okada | | 70 | ● | | | ○ | ○ | |
| | Mariko Eguchi | | 60 | ● | | ○ | ○ | | |
| | Junichiro Nakatsuka | | 62 | ● | | ○ | ○ | ○ | |
| | Kaipin Kui | | 41 | | | | | | |
| Directors who are Audit and Supervisory Committee Members | Tomihiro Nagafuchi | | 61 | | | | ◎ | | |
| | Akemi Mochizuki | | 72 | ● | | | | | |
| | Chieko Tsuchiya | | 55 | ● | | | | | |

Represents male

Represents female

(Note) The age stated above is current as of June 26, 2026.

Requirements for skill items

| | | | |
|---|---|---|---|
| Corporate management/ Strategy | 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 supervision and advice | Pharmaceutical/ Healthcare industry | A person with knowledge and experience related to the pharmaceutical, Kampo, crude drug industry, or government administration, who is capable of providing appropriate supervision and advice regarding management and business operations based on the unique business and market characteristics of Kampo and crude drugs |
| Finance/ Financial accounting | A person who has insights and experience of finance and financial accounting, a person who has experience in capital markets, a person who has operational experience in financial institutions, or a person who is qualified as a certified public accountant or a tax accountant | 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 |
| 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 | Sustainability/ 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 CSR, CSV, corporate governance, etc. |
| Organization/ Human capital | A person who has experience in the formulation of human resources strategies and has insights and experience regarding the field of organizational development with diversity, and human resources development | IT/ Digital Transformation (DX) | A person with knowledge of IT and digital technologies who is capable of providing supervision and advice on DX strategy, DX promotion, and IT investment from the perspective of medium- to long-term value creation |
| Global | A person who has experience in overseas business management and knowledge or experience related to global management, international markets, or geopolitical risks | Research & Development | A person with knowledge and experience in research and development who is capable of providing appropriate supervision and advice from the perspective of aligning business strategy with R&D activities |

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

**(Reference)**

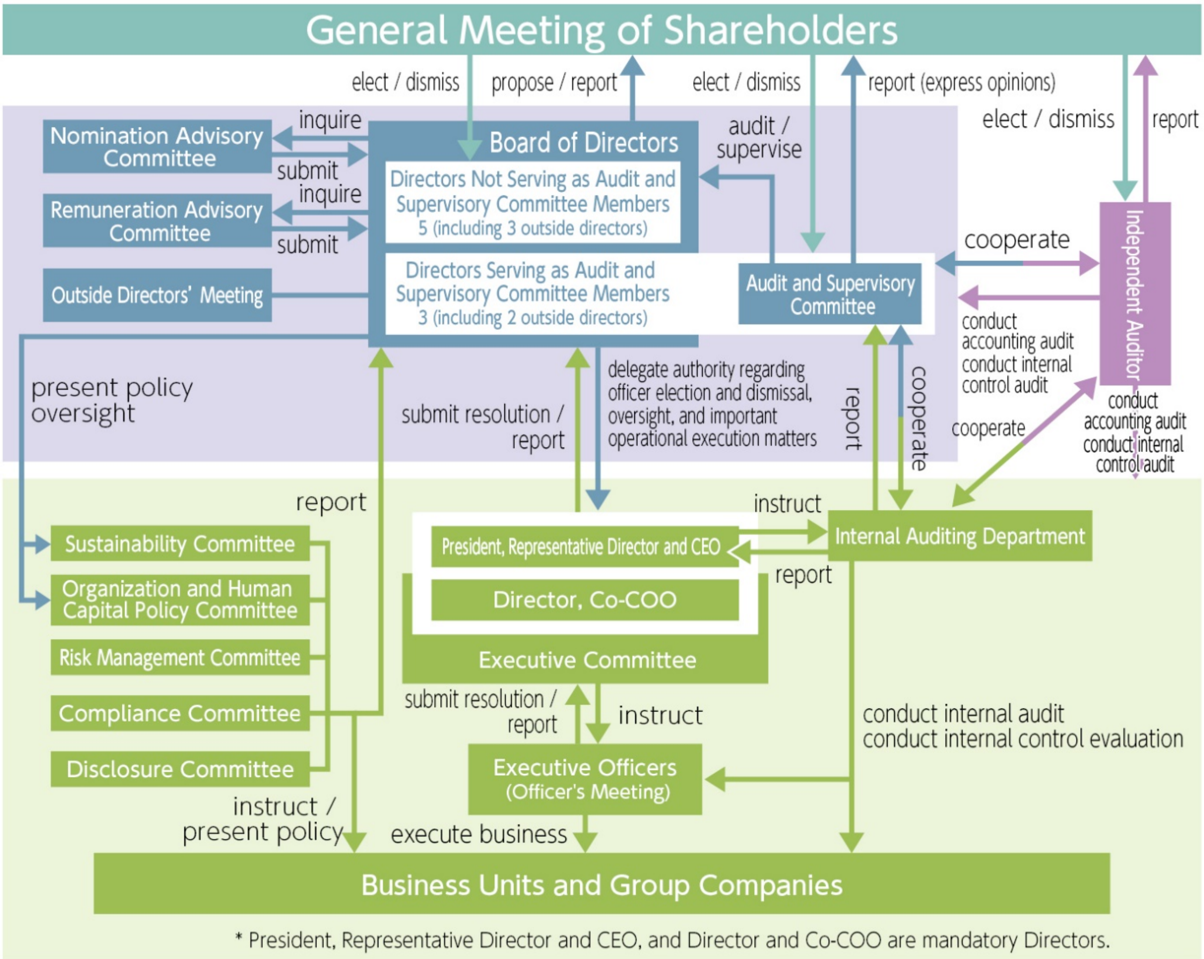
**Corporate Governance of Tsumura**

**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 March 31, 2026.

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

# Business Report

## 1 Matters concerning the current status of the Group

### (1) Business progress and results

Net sales increased by 6.4% compared with the previous fiscal year to ¥192,615 million.

The cost of sales ratio increased by 2.5 percentage points compared with the previous fiscal year to 52.5%, due to a temporary increase in costs resulting from the strategic buildup of inventories of raw material crude drugs in Japan and the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd.

Selling, general and administrative expenses increased by 11.6% compared with the previous fiscal year to ¥56,296 million, mainly due to increases in personnel expenses such as salaries and allowances, expenses associated with strengthening information provision activities, digital transformation-related expenses, and the impact of the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. This raised the SG&A ratio by 1.3 percentage points compared with the previous fiscal year to 29.2%.

As a result, operating profit decreased by 12.2% compared with the previous fiscal year to ¥35,219 million, and the operating profit margin decreased by 3.9 percentage points compared with the previous fiscal year to 18.3%. Ordinary profit decreased by 5.7% compared with the previous fiscal year to ¥40,036 million, and profit attributable to owners of parent decreased by 13.3% compared with the previous fiscal year to ¥28,117 million.

**Consolidated results**

The consolidated results for the fiscal year under review were as follows.

(Unit: million yen)

| Category | FY2024 | FY2025 (fiscal year under review) | Change | Year-on-year change |
|---|---|---|---|---|
| Net sales | 181,093 | 192,615 | +11,521 | +6.4% |
| Domestic business | 160,459 | 161,172 | +712 | +0.4% |
| China business | 20,633 | 31,442 | +10,809 | +52.4% |
| Operating profit | 40,125 | 35,219 | (4,905) | (12.2)% |
| Domestic business | 40,136 | 35,024 | (5,112) | (12.7)% |
| China business | (10) | 195 | +206 | – |
| Ordinary profit | 42,446 | 40,036 | (2,410) | (5.7)% |
| Profit attributable to owners of parent | 32,428 | 28,117 | (4,311) | (13.3)% |

For more detailed information,
please visit the Tsumura Website “Reports and Downloads.”

**Domestic business**

Net sales in the Domestic business increased by 0.4% compared with the previous fiscal year to ¥161,172 million.

Net sales of 129 prescription Kampo formulations decreased by 0.1% compared with the previous fiscal year to ¥153,918 million.

Shipments decreased compared with the previous fiscal year due to the infectious disease outbreak subsiding earlier than anticipated, resulting in the high level of distribution inventory at the end of the third quarter, combined with lower actual demand of infectious disease-related prescriptions in the fourth quarter compared to the previous year.

Actual demand, represented by the actual sales volume (deliveries from pharmaceutical distributors and wholesalers to medical institutions), increased by 2.0% compared with the previous fiscal year due to an increase in prescriptions related to edema, headaches and dizziness, and anxiety and insomnia resulting from hybrid information provision activities combining e-promotion with MR activities following the lifting of shipment restrictions.

In addition, net sales of healthcare products (OTC Kampo medicine, etc.) in the Domestic business increased by 17.4% compared with the previous fiscal year to ¥6,206 million, driven by an increase in the number of stores handling these products.

▶ **Net sales** of **prescription Kampo formulations**

(Unit: million yen)

| Rank | DF/G | No. | Prescription name | FY2024 | FY2025 (fiscal year under review) | Change | Year-on-year change | [Reference: Actual sales volume*] Year-on-year change |
|---|---|---|---|---|---|---|---|---|
| 1 | DF | 100 | Daikenchuto | 14,769 | 14,688 | (81) | (0.5)% | +1.9% |
| 2 | DF | 54 | Yokukansan | 11,147 | 11,053 | (93) | (0.8)% | +2.6% |
| 3 | G | 17 | Goreisan | 7,376 | 8,338 | +962 | +13.0% | +15.0% |
| 4 | G | 41 | Hochuekkito | 7,597 | 7,451 | (146) | (1.9)% | (1.4)% |
| 5 | DF | 43 | Rikkunshito | 7,199 | 7,205 | +6 | +0.1% | +0.7% |
| 6 | – | 68 | Shakuyakukanzoto | 6,806 | 6,846 | +39 | +0.6% | +1.5% |
| 7 | DF | 107 | Goshajinkigan | 5,583 | 5,623 | +40 | +0.7% | +3.1% |
| 8 | – | 62 | Bofutsushosan | 5,554 | 5,355 | (198) | (3.6)% | +0.7% |
| 9 | G | 24 | Kamishoyosan | 4,917 | 5,043 | +125 | +2.6% | +2.6% |
| 10 | – | 1 | Kakkonto | 4,982 | 4,742 | (240) | (4.8)% | (1.9)% |
| 18 | G | 137 | Kamikihito | 2,238 | 2,405 | +166 | +7.5% | +7.1% |
| 19 | G | 108 | Ninjin’ yoeito | 2,234 | 2,107 | (126) | (5.7)% | (2.5)% |
| 24 | DF | 14 | Hangeshashinto | 1,464 | 1,546 | +81 | +5.6% | +5.7% |
| Total net sales of drug-fostering program formulations | | | | 40,163 | 40,117 | (45) | (0.1)% | +2.1% |
| Total net sales of “growing” formulations | | | | 24,364 | 25,346 | +982 | +4.0% | +6.4% |
| Total net sales of 129 prescription Kampo formulations | | | | 154,072 | 153,918 | (154) | (0.1)% | +2.0% |

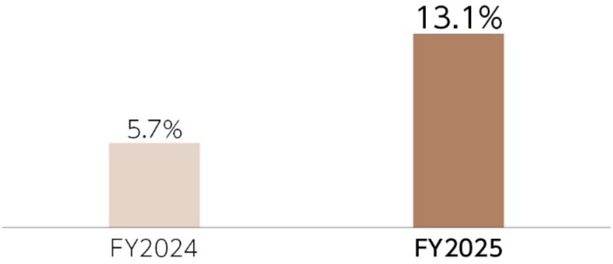
* Actual sales volume refers to the quantity delivered from pharmaceutical distributors and wholesalers to medical institutions.

■ **Further growth of the Kampo market by expanding standardization of Kampo treatment and promoting personalized treatment**

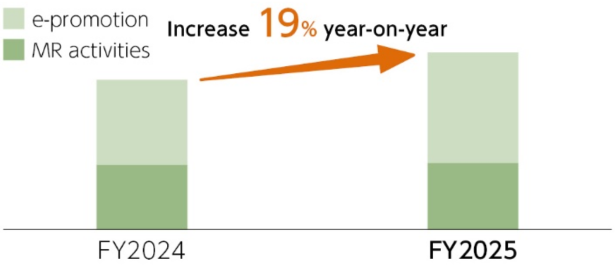
The vision of the prescription Kampo business in Japan is to realize a state in which patients can receive Kampo treatment suited to each individual at any medical institution or clinical department. To achieve this, we aim to create a healthcare environment in which more than half of physicians prescribe basic treatments for each treatment area based on Kampo medicine. As of the end of fiscal 2025, the proportion of physicians prescribing basic prescriptions for treatment areas reached approximately 13%. By the end of fiscal 2027, the final year of the second medium-term management plan, we aim to increase this ratio to 25%.

To realize this vision, we are advancing the transformation to a data-driven information provision system. By leveraging sales data, MR activities, and digital logs, we have optimized the content, channels, and timing of information based on physician attributes and needs, and improved both the quantity and quality of information provision through AI-based behavioral recommendations for MRs.

▶ **Percentage of physicians prescribing basic prescriptions for treatment areas**




▶ **Estimated number of detailing impacts***




Data period: April 2024 to March 2026

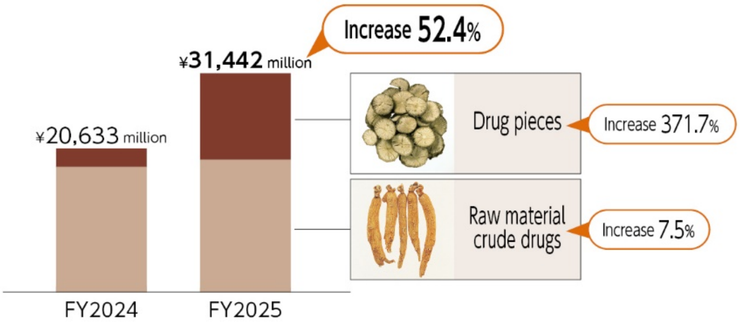
Source: INTAGE Healthcare Inc., “Impact Track”

* Estimated number of detailing impacts: Number of information recognitions on each channel, such as MR activities and the internet (estimate)
MR activities: Detailing mediated by MRs, online meetings, in-hospital briefings, etc.
e-promotion: Online information provision activities not mediated by MRs

**China business**

Net sales in the China business increased by 52.4% compared with the previous fiscal year to ¥31,442 million, due to the consolidation of Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd., as well as increased sales of raw material crude drugs and drug pieces (chopped crude drugs) at Ping An Tsumura Pharma Inc. and SHENZHEN TSUMURA MEDICINE CO., LTD.

▸ **Net sales for the China business**




**■ Business alliance with Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd.**

On the crude drug platform, the acquisition of an equity stake in Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. ("Hongqiao Drug Pieces") was completed in November 2025. Hongqiao Drug Pieces is a company specializing in drug pieces, with a strong distribution network in the Shanghai area.

By combining the foundation of Hongqiao Drug Pieces' sales capabilities with our strengths, including high-quality crude drugs with ensured traceability and manufacturing technologies for the value-added drug piece service "personalized medicine," we are working to improve the quality of drug pieces and visualize their value, thereby enhancing patient convenience.

**Initiatives toward the realization of sustainability vision**

**■ Received the highest rating of "A" in Climate Change and Water Security for CDP 2025**

Our initiatives on climate change and water resources were highly evaluated by CDP, an international non-profit organization focused on environmental disclosure, and we received the highest rating of "A" in both the Climate Change and Water Security categories of CDP 2025.

This marks the second consecutive year, following fiscal 2024, that we have received the highest rating, which we view as a reflection of our continued efforts to address environmental issues.

**■ Selected for the 2026 KENKO Investment for Health Stock Selection and certified as 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category, White 500)**

We were selected for the first time for the 2026 KENKO Investment for Health Stock Selection, jointly conducted by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, due to our efforts to promote employee health management from a management perspective being recognized. We were also certified for the first time as a 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category, White 500). We will continue to pursue sustainable growth in corporate value through ongoing investment in human capital.

**(2) Issues to be addressed**

**Initiatives based on the second medium-term management plan (fiscal 2025–fiscal 2027)**

The Group has established its Corporate Purpose, "Lively Living for Everyone," and, through its sustainability vision "Living with nature for tomorrow" and the three "Ps" (PHC: Personalized Health Care, PDS: Pre-symptomatic Disease and Science, PAD: Potential-Abilities Development), has formulated its long-term management vision, TSUMURA VISION "Cho-WA" 2031, which aims to become "a company that realizes a future in which the mind and body, and individuals and society, are in 'Cho-WA' (a well-balanced state)." In the second medium-term management plan, we are promoting proactive capital investment and business investment toward the realization of the long-term management vision. Under the five strategic challenges, we will advance measures for stable growth in the Domestic business and expansion of the China business, and work to enhance corporate value by contributing to the resolution of social issues through business activities.

**Strategic challenges**

1. Further growth of the Kampo market by expanding standardization of Kampo treatment and promoting personalized treatment
2. Creation of new value through KAMPOmics, market development of evidence-based “three preventive measures for pre-symptomatic diseases,” and the challenge of globalizing Kampo medicine
3. Entering the traditional Chinese medicinal products business in China, developing value-added services for drug pieces, and establishing a research and development system for traditional Chinese medicines
4. Establishing stable supply and low-cost operations and improving product value through DX of the Kampo value chain aiming to create the best customer experience value
5. Improving organization and human capital value by enhancing human capital that contributes to realizing our vision and promoting the development of an organization mechanism analogous to Kampo medicines

**Outline of the second medium-term management plan**

■ **Numeric targets of fiscal 2027**


(Revised November 10, 2025)

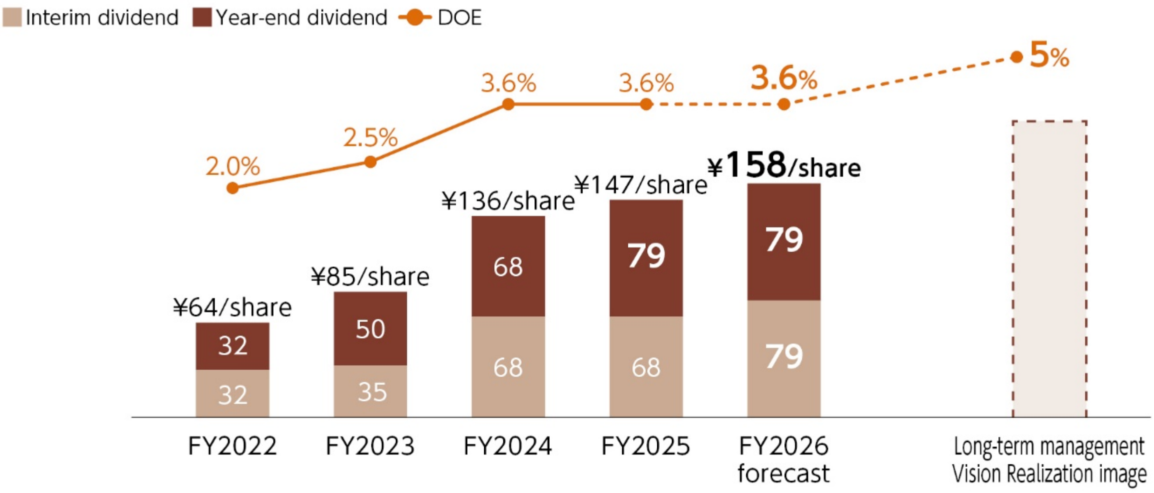
▸ **Background to upwardly revising the numeric targets of fiscal 2027**

When the Company announced its financial results for the six months ended September 30, 2025, it also upwardly revised its fiscal 2027 numerical targets for operating profit and ROE in the second medium-term management plan. The revision of the numerical targets this time is primarily due to the realization of a technical and capital alliance with Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd., and its consolidation as a subsidiary within the China business's crude drug platform. In addition to this, we have determined that it is possible to exceed the initial numerical targets by absorbing the impact of persistently high costs due to inflation through the reduction of crude drug costs and further thorough Group-wide cost management to control selling, general, and administrative expenses.

**Shareholder return policy**

The Company regards the return of profit to shareholders as its important policy. We are striving to increase corporate value through sustainable growth in the Domestic business and implementing growth investments and laying the foundations for the China business, while pursuing optimal shareholder returns based on an optimal capital structure that ensures medium- and long-term profit levels and financial soundness. To achieve the target DOE level of 5% by fiscal 2031, we will steadily implement dividend management.

▸ **Shareholder returns**




(Note) Concerning the dividends per share and DOE for fiscal 2025, matters concerning the dividends per share of common stock are being presented as a proposal of the 90th Ordinary General Meeting of Shareholders, and the figures shown here are based on the assumption that this proposal is approved.

(Note) DOE: Dividend on equity ratio
An indicator to show what level of dividends are being paid as a percentage of equity.

### (3) Capital investments

The Tsumura Group made capital investments of ¥35,349 million in the pharmaceutical business during the fiscal year under review, aiming to increase production capacity and maintain a stable product supply system.

### (4) Financing activities

During the fiscal year under review, we secured ¥50,000 million in long-term borrowings through a syndicated loan arranged by MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation, with the aim of securing funds for strategic investments to realize our long-term management vision.

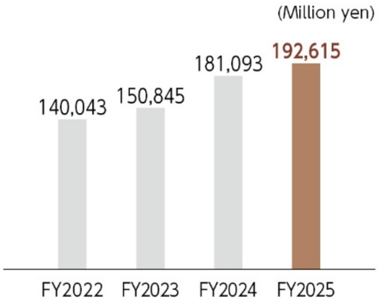
### (5) Financial position and results of operations for the most recent three years

(Unit: million yen)

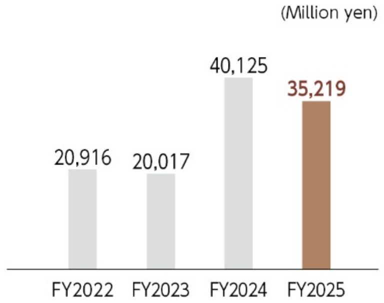
| Category | 87th Term (FY2022) | 88th Term (FY2023) | 89th Term (FY2024) | 90th Term (FY2025) |
|---|---|---|---|---|
| Net sales | 140,043 | 150,845 | 181,093 | 192,615 |
| Operating profit | 20,916 | 20,017 | 40,125 | 35,219 |
| Ordinary profit | 23,453 | 23,493 | 42,446 | 40,036 |
| Profit attributable to owners of parent | 16,482 | 16,707 | 32,428 | 28,117 |
| Earnings per share (yen) | 215.63 | 219.83 | 427.15 | 376.28 |
| Total assets | 396,813 | 428,254 | 464,380 | 592,766 |
| Net assets | 272,246 | 295,364 | 330,110 | 371,603 |
| Book-value per share (yen) | 3,299.42 | 3,566.54 | 3,968.05 | 4,315.88 |

(Notes) 1. The Company has introduced a Board Incentive Plan (BIP) trust for officers’ compensation, effective from the 87th Term. Accordingly, the Company’s shares held by the trust are treated as treasury shares deducted from the total number of issued shares at the end of the period in the calculation of book-value per share. They are treated as treasury shares, deducted from the average number of common stock shares used to calculate earnings per share during the period.
2. The Company has introduced an Employee Stock Ownership Plan (ESOP) trust for stock grants, effective from the 88th Term. Accordingly, the Company’s shares held by the trust are treated as treasury shares deducted from the total number of issued shares at the end of the period in the calculation of book-value per share. They are treated as treasury shares, deducted from the average number of common stock shares used to calculate earnings per share during the period.

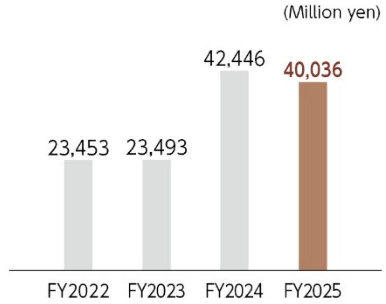
■ Net sales



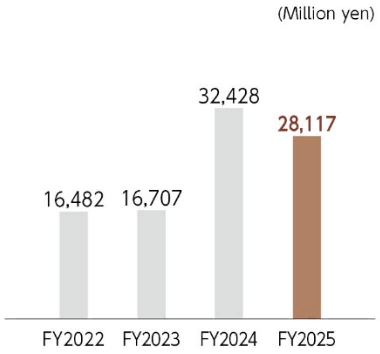

■ Operating profit



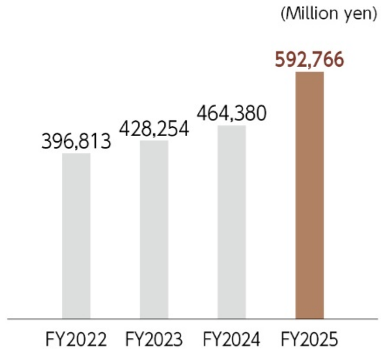

■ Ordinary profit



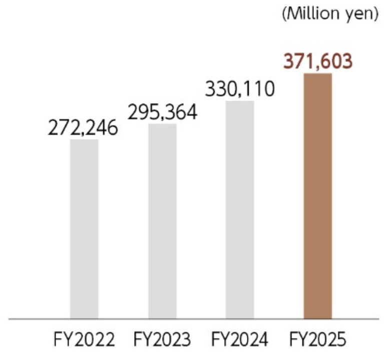

■ Profit attributable to owners of parent




■ Total assets




■ Net assets




### (6) Principal lines of business (as of March 31, 2026)

The principal businesses conducted by the Tsumura Group are as follows.

| Segment | Category | Product classification | Principal products and lines of business |
|---|---|---|---|
| Pharmaceutical business | Japan | Prescription pharmaceuticals | Manufacture and sale of prescription Kampo formulations, sale of Metalite (a treatment for Wilson disease) |
| | | OTC pharmaceuticals and quasi-pharmaceutical products | Manufacture and sale of OTC Kampo medicine and crude drug formulations, sale of bath additives |
| | China | Raw material crude drugs, traditional Chinese medicines | Cultivation, procurement, and selective processing of raw material crude drugs, sale of raw material crude drugs and drug pieces |

### (7) Main offices and plants (as of March 31, 2026)

| | |
|---|---|
| Head Office | 17-11 Akasaka 2-chome, Minato-ku, Tokyo |
| Plants, etc. | Shizuoka Plant (Fujieda City, Shizuoka Prefecture), Ibaraki Plant (Ami-machi, Inashiki-gun, Ibaraki Prefecture), Ishioka Center (Ishioka City, Ibaraki Prefecture) |
| Research Laboratories | Ami-machi, Inashiki-gun, Ibaraki |
| Offices (Regional Branches) | Sapporo, Sendai 1, Sendai 2, Koshinetsu, KitaKanto, Chiba, Saitama, Tokyo, Tama, Yokohama, Nagoya 1, Nagoya 2, Hokuriku, Kyoto, Osaka, Kobe, Hiroshima, Takamatsu, Fukuoka 1, Fukuoka 2 |

### (8) Significant parent company and subsidiaries

**Relationship with parent company**

Not applicable.

**Significant subsidiaries**

| Company name | Address | Capital or investment | Voting rights ratio (%) (Note 2) | Principal lines of business |
|---|---|---|---|---|
| Logitem Tsumura Co., Ltd. | Fujieda City, Shizuoka Prefecture | 250 (million JPY) | 100.0 | Transportation and storage of products |
| YUBARI TSUMURA CO., LTD. | Yubari City, Hokkaido | 80 (million JPY) | 25.0 | Cultivation, procurement, selective processing, and storage of raw material crude drugs |
| Tsumura China Inc. | Shanghai, China | 3,088,993 (thousand RMB) | 100.0 | Regional control base of the Tsumura Group in China |
| SHENZHEN TSUMURA MEDICINE CO., LTD. | Shenzhen, China | 50,440,000 (USD) | 100.0 | Procurement, selective processing, storage, and sale of raw material crude drugs |
| Pingcun (Shenzhen) Medical Ltd. | Shenzhen, China | 10,000 (thousand RMB) | 100.0 | Sale of pharmaceuticals and food products |
| SHANGHAI TSUMURA PHARMACEUTICALS CO., LTD. | Shanghai, China | 36,200,000 (USD) | 66.0 | Manufacture and sale of Kampo powdered extracts |
| TIANJIN TSUMURA PHARMACEUTICALS CO., LTD. | Tianjin, China | 934,000 (thousand RMB) | 100.0 | Manufacture and sale of Kampo powdered extracts |
| Ping An Tsumura Inc. | Shanghai, China | 2,000,000 (thousand RMB) | 56.0 | Control of operations |
| Ping An Tsumura Pharma Inc. | Tianjin, China | 174,201 (thousand RMB) | 80.0 | Control of operations |
| CHINA MEDICO CORPORATION | Tianjin, China | 118,208 (thousand RMB) | 97.7 | Procurement, selective processing, storage, and sale of raw material crude drugs |
| Baishan Lincun Zhongyao Kaifa Ltd. | Baishan, China | 30,000 (thousand RMB) | 100.0 | Cultivation, procurement, selective processing, and storage of raw material crude drugs |
| Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. (Note 1) | Shanghai, China | 160,000 (thousand RMB) | 51.0 | Sale and contract processing services of traditional Chinese medicine drug pieces |
| TSUMURA USA, INC. | California, USA | 1,261,328 (USD) | 100.0 | Development of pharmaceutical products in the United States |

(Notes) 1. Tsumura China Inc., a consolidated subsidiary of the Company, acquired a 51% stake in Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. during the current fiscal year; accordingly, Shanghai Hongqiao Traditional Chinese Drug Pieces Co., Ltd. has been included in the scope of consolidation.
2. The voting rights ratio represents the total of direct and indirect ownership.

**(9) Employees (as of March 31, 2026)**

| Number of employees | Change from previous fiscal year |
|---|---|
| 4,923 (886) | +651 (+144) |

(Note) The number of employees represents the number of employees in service. The number of temporary employees is shown in parentheses as the average number for the fiscal year under review, presented separately.

### (10) Major creditors (as of March 31, 2026)

(Million yen)

| Creditor | Balance of borrowings |
|---|---|
| Syndicated loan | 50,000 |
| MUFG Bank, Ltd. | 12,251 |
| Japan Bank for International Cooperation | 8,333 |

(Note) The syndicated loan is a coordinated financing arrangement with MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers.

### (11) Other important matters concerning the current status of the corporate group

There are no matters to be stated.

## 2 Matters concerning shares (as of March 31, 2026)

### 1. Matters concerning shares issued by the Company

**(1) Authorized common stock**

250,000,000 shares

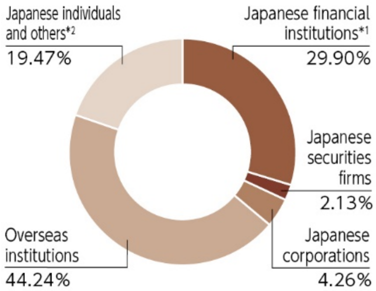
**(2) Issued common stock**

76,758,362 shares (including 1,468,539 treasury shares)

**(3) Number of shareholders**

67,129 (up 45,777 compared with previous period)

<Ownership and distribution of shares>




*1 "Japanese financial institutions" includes 238,075 treasury shares held as trust assets of the officer remuneration BIP trust and 506,292 treasury shares held as trust assets of the share allocation ESOP trust.

*2 "Japanese individuals and others" includes 1,468,539 treasury shares.

**(4) Major shareholders**

| Shareholder name | Number of shares (1,000 shares) | Percentage of equity (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 11,780 | 15.65 |
| BOCHK FOR PING AN LIFE INSURANCE COMPANY OF CHINA LTD | 7,675 | 10.20 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 4,605 | 6.12 |
| Custody Bank of Japan, Ltd. (Trust Account) | 4,109 | 5.46 |
| BRIGHT RIDE LIMITED | 1,692 | 2.25 |
| Employees' Stockholding | 1,511 | 2.01 |
| MUFG Bank, Ltd. | 1,348 | 1.79 |
| BNYM AS AGT/CLTS 10 PERCENT | 1,315 | 1.75 |
| THE NOMURA TRUST AND BANKING CO., LTD. (Trust Account) | 1,277 | 1.70 |
| JP MORGAN CHASE BANK 385781 | 983 | 1.31 |

(Note) The percentage of equity is calculated deducting 1,468,539 treasury shares.
The above treasury shares do not include 238,075 treasury shares held as trust assets of the officer remuneration BIP trust and 506,292 treasury shares held as trust assets of the share allocation ESOP trust.

### (5) Shares delivered to company officers as consideration for the execution of duties during the current fiscal year

| Category | Number of recipients (people) | Number of shares delivered (shares) | |
|---|---|---|---|
| | | | Of which is paid in money (shares) |
| Directors (excluding Outside Directors and Audit and Supervisory Committee Members) | 3 | 23,996 | 12,096 |

(Notes) 1. Details regarding stock compensation are described on page 34 of the Business Report under "(2) Compensation for Directors."

2. The above figures include shares delivered to retired company officers.

## 2. Matters concerning shares held by the Company

### Shareholdings

#### i) Criteria and approach for classification of investment shares

With respect to investment shares, the Company classifies shares held solely for the purpose of benefiting from fluctuations in share value or dividends related to the shares as investment shares held for pure investment purposes, and other shares as investment shares held for purposes other than pure investment purposes.

#### ii) Investment shares held for purposes other than pure investment purposes

**Policy on holdings and method for verifying the rationality of holdings, and details of verification at the Board of Directors, etc. regarding whether to hold individual issues**

The Company has adopted a policy of reducing its cross-shareholdings. At the same time, we consider it important to build and maintain long-term, stable relationships with business partners. Accordingly, we comprehensively assess our business relationships and other factors with each partner and currently hold only those shares that enhance corporate collaboration and contribute to increasing corporate value.

For our shareholdings, we take into account our cost of capital and, in principle, conduct individual reviews at Board of Directors meetings to assess the appropriateness of holding each investment based on whether it contributes to maintaining medium- to long-term relationships, expanding transactions, and creating synergies.

## 3. Matters concerning officers

### (1) Directors (as of March 31, 2026)

| Position | Name | Significant concurrent positions outside the Company |
|---|---|---|
| President and Representative Director | Terukazu Kato | |
| Director | Kei Sugii | |
| Director | Hiroshi Miyake | |
| Director | Tadashi Okada | |
| Director | Mariko Eguchi | Outside Director, SIGMAXYZ Holdings Inc. |
| Director (Full-time Audit and Supervisory Committee Member) | Tomihiro Nagafuchi | |
| Director (Audit and Supervisory Committee Member) | Akemi Mochizuki | Certified public accountant<br>Outside Corporate Auditor, Asahi Kasei Corp.<br>Statutory Auditor (Part-time), SBI Holdings, Inc. |
| Director (Audit and Supervisory Committee Member) | Chieko Tsuchiya | Attorney at law (Special Counsel, Anderson Mori & Tomotsune)<br>Outside Director, Audit and Supervisory Committee Member, MICRONICS JAPAN CO., LTD. |

(Notes)
1. Director Hiroshi Miyake, Director Tadashi Okada, Director Mariko Eguchi, Director Akemi Mochizuki, and Director Chieko Tsuchiya are Outside Directors as defined in Article 2, item 15 of the Companies Act.
2. Director (Audit and Supervisory Committee Member) Akemi Mochizuki holds the qualification of a certified public accountant and has a considerable degree of knowledge regarding finance and accounting.
3. Director (Audit and Supervisory Committee Member) Chieko Tsuchiya holds the qualification of an attorney at law and has a considerable degree of knowledge regarding corporate legal affairs.
4. Director Tomihiro Nagafuchi is a Full-time Audit and Supervisory Committee Member. The reason for appointing a Full-time Audit and Supervisory Committee Member is to ensure the effectiveness of the activities of the Audit and Supervisory Committee by having a person who is familiar with internal circumstances serve as a key person in utilizing the internal control system, and by sharing among all Audit and Supervisory Committee Members the information obtained through attendance at important meetings, day-to-day collection of information from the business execution departments, and collaboration with the internal auditing department, etc.
5. The Company has filed notification with the Tokyo Stock Exchange, Inc. designating Director Hiroshi Miyake, Director Tadashi Okada, Director Mariko Eguchi, Director Akemi Mochizuki, and Director Chieko Tsuchiya as independent officers as stipulated in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange.

**Executive officers (as of March 31, 2026)**

| Position | Scope of management responsibilities | Name | Responsibility |
|---|---|---|---|
| CEO (Chief Executive Officer)(*) | Entire Group (management responsibility) | Terukazu Kato | |
| Co-COO (Co-Chief Operating Officer)(*) | Entire Group (executive responsibility) / Entire business excluding the scope of responsibility of the Co-COO (General Representative for China) | Kei Sugii | In charge of External Affairs Department and Internal Auditing Department |
| Co-COO (General Representative for China) (Co-Chief Operating Officer) | Overall China business (executive responsibility) (in charge of China Group companies)* | Koin Toda | |
| CFO (Chief Financial Officer) | Entire Group (supervising corporate management departments) | Kaoru Kobayashi | Head of Corporate Management Division |
| CHRO (Chief Human Resources Officer) | Entire Group (supervising human resources departments) | Koji Endo | Head of Human Resources Division In charge of Secretary Department |
| CTO (Chief Technology Officer) | Entire Group (supervising research & development departments) | Akihito Konda | Head of Research & Development Division |
| Executive officer | | Shoichi Kumagai | Head of Production Division |
| Executive officer | | Zhang Lixian | Supervising production in operations in China and supervising formulation platform in China |
| Executive officer | | Yoshiharu Watanabe | Supervising crude drug platform in China in charge of Crude Drug Division |
| Executive officer | | Kazushige Mizoguchi | Head of Quality & Safety Management Division |
| Executive officer | (In charge of risk and compliance) | Koji Shiseki | Head of Legal Department in charge of General Affairs Department and Appropriate Promotion Department |
| Executive officer | | Toshio Yamaoka | Head of Sales & Marketing Division |
| Executive officer | | Yasushi Nakagawa | Head of Healthcare Division |

* The scope of management responsibilities for the overall China business (executive responsibility) is as follows.

1. Business involving the development of new markets in China
2. Support related to business in China for Japan
3. Management and supervision related to the management of Chinese affiliated companies

(Note) The Company has introduced an executive officer system, and the executive officers are as stated above. In addition, (*) indicates a Director.

**• Outline of the content of the 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 agreements with six (6) non-executive Directors to limit their liability for damages arising from neglecting their duties. The limit under the agreements is the amount provided for by the applicable laws and regulations.

Note that such limitation of liability is permitted only when the relevant non-executive Director has acted in good faith and without gross negligence in the performance of the duties that caused the liability.

**• Matters concerning 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.

## (2) Compensation for Directors

### 1. Total amount of compensation pertaining to the current fiscal year

| Category | Total compensation (Million yen) | Total compensation by type (Million yen) | | Total number of directors applicable (people) |
|---|---|---|---|---|
| | | Basic compensation | Stock compensation | |
| Directors (excluding Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors) | 231 | 178 | 53 | 3 |
| Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) | 40 | 40 | – | 4 |
| Directors (excluding Directors who are Audit and Supervisory Committee Members) | 271 | 218 | 53 | 7 |
| Directors (Audit and Supervisory Committee Members) (excluding Outside Directors) | 28 | 28 | – | 1 |
| Outside Directors (Audit and Supervisory Committee Members) | 26 | 26 | – | 3 |
| Directors (Audit and Supervisory Committee Members) | 54 | 54 | – | 4 |

(Notes) 1. Includes one Director (excluding Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors), one Outside Director (excluding Directors who are Audit and Supervisory Committee Members), and one Outside Director (Audit and Supervisory Committee Member) who retired as of the conclusion of the 89th Ordinary General Meeting of Shareholders held on June 27, 2025.

2. Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) does not include the amount of employee salaries for Directors who concurrently serve as employees.

3. For stock compensation, the amounts booked in the current fiscal year are presented.

### 2. Policy on the determination of the amount of compensation for officers

**[Policy for determining the amount of compensation for officers or the method of calculation thereof]**

At the Board of Directors meeting held on June 27, 2025, the Company resolved a policy on the determination of details of compensation for individual Directors (excluding Directors who are Audit and Supervisory Committee Members). Prior to the resolution at the Board of Directors meeting, the Board of Directors consulted with the Remuneration Advisory Committee regarding the contents of the resolution and received a report from the committee.

Furthermore, the Board of Directors has determined that the process for deciding the details of compensation and other details for individual Directors for the fiscal year has been appropriately managed in accordance with the policy. Therefore, the compensation and other details for individual Directors for the fiscal year are deemed to be in line with the policy for this determination.

Policy on the determination of details of compensation for individual Directors is as follows.

**i) 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.

- 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.

- 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.
- 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

**ii) 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.

### iii) Compensation system and composition

The compensation system for Directors of our Company consists of basic compensation (fixed portion and portion linked to short-term performance [STI]) 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).

In addition, 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.

<table>
<tr><th></th><th colspan="2">Type of compensation</th><th>Purpose/Outline</th></tr>
<tr><td>Fixed</td><td rowspan="2">Basic compensation (monetary)</td><td>Fixed portion</td><td>Fixed compensation according to roles, duties, etc.</td></tr>
<tr><td rowspan="3">Variable</td><td>STI<br>(portion linked to short-term performance)</td><td>Annual incentives to reward the Company's performance in each fiscal year and efforts for the achievement of business targets set by each individual<br>・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.<br>・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.<br>・It is paid in money monthly together with the fixed portion.</td></tr>
<tr><td rowspan="2">Performance-linked stock compensation (non-monetary)</td><td>LTI-I<br>(linked to medium-term performance)</td><td>Medium-term incentives to reward efforts to realize the medium-term management plan<br>・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 varied according to the achievement ratio of the medium-term management plan and the business targets set by each individual.<br>・The concrete number of shares to be delivered is determined within the range from 15% to 150% of the accumulated total of basic points.<br>・As a general rule, they will be delivered in a lump sum around October immediately after the end of the medium-term management plan.</td></tr>
<tr><td>LTI-II<br>(linked to long-term vision)</td><td>Long-term incentives to encourage Directors to take up challenges toward realizing a long-term vision<br>・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.<br>・The concrete number of shares to be delivered is determined within the range from 0% to 150% of the accumulated total of basic points.<br>・As a general rule, they will be delivered in a lump sum after retirement.</td></tr>
</table>

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

**Annual incentives to reward the Company's performance in each fiscal year and efforts for the achievement of business targets set by each individual.**

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

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

Medium-term incentives to reward efforts to realize the medium-term management plan.

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

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

Long-term incentives to encourage Directors to take up challenges toward realizing a long-term vision.

| Evaluation indicators | | Concept for indicator selection |
|---|---|---|
| Corporate value | Relative TSR* (Comparison of TOPIX growth rates) | • An indicator that measures the realization ratio of a long-term vision<br>• 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 | · Reduction of GHG emissions<br>· Development of cultivation of wild crude drugs, etc. | • An indicator that measures the realization ratio of sustainability<br>• 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 |
| Corporate governance | · Diversity in management teams, etc. | • An indicator that measures the realization ratio of sustainability and promotes the realization of a long-term management vision<br>• 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 | • An indicator that measures the realization ratio of a long-term management vision<br>• 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.

| Evaluation indicators | | Allocation ratio | Fluctuation range of coefficients | Main target value |
|---|---|---|---|---|
| Corporate value | Relative TSR (Comparison of TOPIX growth rates) | 25% | 0% to 200%<br>(From 0% to 100% during the period until March 31, 2028) | 1.0 |
| Sustainability | ・Reduction of GHG emissions<br>・Development of cultivation of wild crude drugs, etc. | 25% | 0% to 100% | 50% reduction in GHG emissions at the end of fiscal 2031 (compared to fiscal 2020), etc.* |
| Corporate governance | ・Diversity in management teams, etc. | 25% | 0% to 100% | * |
| Business value | Sales ratio of overseas business | 25% | 0% to 200%<br>(From 0% to 100% during the period until March 31, 2028) | 50% at the end of fiscal 2031* |
| Total | | 100% | 0% to 150%<br>(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%.

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

When LTI-II is provided

| Fixed portion<br>[44%] | Portion linked to short-term performance<br>Short-term incentive<br>[29%] | LTI-I Medium-term incentive<br>[19%] | LTI-II Long-term incentive<br>[8%] |
|---|---|---|---|
| Basic compensation (cash) | | Performance-linked stock compensation (non-monetary) | |

Fixed | Variable

* 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 not provided

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

Fixed | Variable

**[Indicators for performance-linked compensation]**

The targets for the indicators for performance-linked compensation applicable to the executive Directors, including the Representative Directors, among the Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

| Evaluation indicators | | Single-year target (FY2025) | | Medium-term management plan (FY2027) |
|---|---|---|---|---|
| | | Planned value | Result | Planned value |
| STI | Consolidated net sales (Billion yen) | 198.0 | 192.6 | – |
| | Consolidated operating profit (Billion yen) | 35.0 | 35.2 | – |
| LTI-I | Consolidated net sales (Billion yen) | – | – | 234.0 |
| | Consolidated operating profit (Billion yen) | – | – | 46.0 |
| | Consolidated ROE (%) | – | – | 9 |
| LTI-II | TSR | – | – | 1.0 |

#### iv) Process for determining compensation

- With the aim of enhancing the objectivity and transparency of the deliberation process, the Board of Directors consults the Remuneration Advisory Committee regarding the standard amount of compensation, the performance evaluation method, the rules for calculating the determined amount according to performance evaluation results, and the procedures for determining compensation based thereon, receives its report on the results and deliberation process, and determines such matters 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.
- The Board of Directors shall delegate to the Remuneration Advisory Committee 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. The reason for delegating to the Remuneration Advisory Committee is to further enhance the objectivity and transparency of procedures regarding compensation by delegating to the committee, whose chairperson is an Outside Director and whose members consist of a majority of Outside Directors.
- We have delegated to Terukazu Kato, President and Representative Director, the confirmation of whether the individually determined payment amounts are calculated in accordance with internal rules and the content of resolutions of the Board of Directors, as well as notification to individuals. The delegation was made because he was deemed to be in a position to verify the appropriateness of the compensation amounts based on the content deliberated by the Remuneration Advisory Committee.

**Remuneration Advisory Committee (as of March 31, 2026)**

| Name | Position | Role |
|---|---|---|
| Hiroshi Miyake | Outside Director | Chairperson |
| Tadashi Okada | Outside Director | Committee member |
| Terukazu Kato | President, Representative Director and CEO | Committee member |

**v) Details of compensation**

- The Company has resolved that the basic compensation (monetary compensation) for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be within ¥600 million per year (pursuant to the resolution of the 81st Ordinary General Meeting of Shareholders held on June 29, 2017) (at the time of the resolution, six Directors, including Outside Directors, were covered).
- With respect to stock compensation, the introduction of a performance-linked stock compensation plan was resolved at the 80th Ordinary General Meeting of Shareholders held on June 29, 2016 (at the time of the resolution, three executive Directors were covered).
- At the 83rd Ordinary General Meeting of Shareholders held on June 27, 2019, it was resolved to revise the stock compensation from delivery of the Company's common stock to delivery of the Company's common stock together with cash (at the time of the resolution, three executive Directors were covered).
- At the 89th Ordinary General Meeting of Shareholders held on June 27, 2025, it was resolved to partially revise the performance-linked stock compensation plan (at the time of the resolution, two executive Directors were covered). After the revision, the initial Plan Period shall be the three fiscal years from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028. The upper limit of funds contributed by the Company shall be the amount obtained by multiplying ¥350 million by the number of fiscal years covered by the relevant medium-term management plan, and the upper limit on the number of the Company's shares, etc. with respect to which the Company's shares and cash equivalent to the amount from the conversion of such shares into cash are delivered or paid to Directors, etc., shall be the number of shares obtained by multiplying 120,000 shares by the number of fiscal years covered by the relevant medium-term management plan.
- Compensation for Directors who are Audit and Supervisory Committee Members shall, in consideration of their roles, duties, etc., consist only of fixed basic compensation, and shall be within ¥72 million per year (pursuant to the resolution of the 81st Ordinary General Meeting of Shareholders held on June 29, 2017), and shall be determined through discussions among the Directors who are Audit and Supervisory Committee Members (at the time of the resolution, three Directors who are Audit and Supervisory Committee Members were covered).
- Non-executive Directors, including Outside Directors, among the Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members receive only fixed basic compensation (cash), in light of their role of supervising the execution of business.

**(3) Matters concerning outside officers**

**i) Significant concurrent positions as executive Directors, etc. of other corporations and the relationship between the Company and such other corporations**

Not applicable.

**ii) Significant concurrent positions as outside officers, etc. of other corporations and the relationship between the Company and such other corporations**

Director Mariko Eguchi concurrently serves as an Outside Director of SIGMAXYZ Holdings Inc. Director Akemi Mochizuki concurrently serves as an Outside Corporate Auditor of Asahi Kasei Corp. and as a Statutory Auditor (Part-time) of SBI Holdings, Inc. Director Chieko Tsuchiya concurrently serves as a Special Counsel at Anderson Mori & Tomotsune and as an Outside Director and Audit and Supervisory Committee Member of MICRONICS JAPAN CO., LTD. Note that there are no special relationships between the Company and any of the respective concurrent positions.

### iii) Major activities during the current fiscal year

**[Status of attendance at meetings of the Board of Directors and the Audit and Supervisory Committee, and an overview of duties performed regarding the roles expected to be fulfilled by Outside Directors]**

| Name | Number of attendances | | | | | Overview of duties performed regarding the roles expected to be fulfilled by Outside Directors |
|---|---|---|---|---|---|---|
| | Board of Directors | Nomination Advisory Committee | Remuneration Advisory Committee | Audit and Supervisory Committee | Outside Directors' Meeting | |
| Hiroshi Miyake (Director) | 100% (20/20) | 100% (6/6) | 100% (9/9) | – | 100% (12/12) | Mr. Hiroshi Miyake has extensive experience and insight as a corporate manager developed over many years and 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. |
| Tadashi Okada (Director) | 100% (20/20) | 100% (6/6) | 100% (9/9) | – | 100% (12/12) | 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. |

| Name | Number of attendances | | | | | Overview of duties performed regarding the roles expected to be fulfilled by Outside Directors |
|---|---|---|---|---|---|---|
| | Board of Directors | Nomination Advisory Committee | Remuneration Advisory Committee | Audit and Supervisory Committee | Outside Directors' Meeting | |
| Mariko Eguchi (Director) | 100% (16/16) | 100% (6/6) | – | – | 100% (9/9) | 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. In addition, at the Company, she has fully performed her role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination Advisory Committee, she proactively makes statements and deepens discussions contributing to the sustainable enhancement of corporate value. |
| Akemi Mochizuki (Audit and Supervisory Committee Member) | 100% (20/20) | 100% (6/6) | – | 100% (15/15) | 100% (12/12) | 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. |
| Chieko Tsuchiya (Audit and Supervisory Committee Member) | 100% (16/16) | 100% (6/6) | – | 100% (11/11) | 100% (9/9) | 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. 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 in order to ensure the legality, soundness, and appropriateness of decision-making in the Company's management and to enhance transparency. |

* For Ms. Mariko Eguchi and Ms. Chieko Tsuchiya, the number of attendances after their assumption of office on June 27, 2025 is stated.

**iv) Kinship relationships with the Company and with specified affiliated business operators such as the Company's major business partners**

Not applicable.

**v) Other important matters concerning outside officers**

In preparation for the event that the number of Directors (Audit and Supervisory Committee Members) required by laws and regulations would be lacking, Ms. Norie Yamaoka was elected as a substitute Director who is an Audit and Supervisory Committee Member at the 89th Ordinary General Meeting of Shareholders held on June 27, 2025.