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Securities Code: 4886

June 6, 2025

Start date of measures for electronic provision: May 29, 2025

To: Shareholders

Takashi Yamaguchi
President, Member of the Board of Directors, Representative Director
ASKA Pharmaceutical Holdings Co., Ltd.
5-1, Shibaura 2-chome, Minato-ku, Tokyo

NOTICE OF CONVOCATION OF THE 4th ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are hereby notified that the 4th Annual General Meeting of Shareholders of ASKA Pharmaceutical Holdings Co., Ltd. (the “Company”) will be held as stated below.

In convening this meeting, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of those websites to confirm the information.

[The Company’s website]

<https://www.aska-pharma-hd.co.jp/invest/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/4886/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(Enter “ASKA Pharmaceutical Holdings Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “4886” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Rather than attending the meeting on the day, we request that you exercise your voting rights via the Internet or in writing. Please review the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights no later than 5:35 p.m., Monday, June 23, 2025 (JST).

Exercise of voting rights via the Internet

Please access the Company's designated voting rights exercise website (<https://evote.tr.mufg.jp/>) (in Japanese), follow the onscreen guidance, and enter your approval or disapproval for each proposal by the above deadline.

Exercise of voting rights in writing

Please indicate your approval or disapproval for each proposal on the voting rights exercise form sent out with this convocation notice and return the form to us by the above deadline.

Particulars

1. Date:	10:00 a.m., Tuesday, June 24, 2025 (JST) (Reception will open at 9:00 a.m.)	
2. Venue:	Hall on the 2nd floor of the head office of ASKA Pharmaceutical Holdings Co., Ltd. 5-1, Shibaura 2-chome, Minato-ku, Tokyo	
3. Purpose:	Matters to be reported	<ol style="list-style-type: none"> Report on the Business Report and the Consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2024 to March 31, 2025), and the Results of the Audit of the Consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2024 to March 31, 2025) by the Accounting Auditor and the Audit & Supervisory Board Report on the Non-consolidated Financial Statements for the 4th Fiscal Year (from April 1, 2024 to March 31, 2025)
	Matters to be resolved	<p><Company proposals></p> <p>Proposal No. 1: Appropriation of Surplus</p> <p>Proposal No. 2: Election of Nine (9) Members of the Board of Directors</p> <p>Proposal No. 3: Election of Four (4) Audit & Supervisory Board Members</p> <p><Shareholder proposals></p> <p>Proposal No. 4: Acquisition of Treasury Shares</p> <p>Proposal No. 5: Amendment to the Articles of Incorporation concerning the Number of Outside Directors</p> <p>Proposal No. 6: Approval of Amount of Remuneration for Restricted Share Compensation Plan</p>

- If neither approval nor disapproval are indicated for each of the proposals on the voting rights exercise form, it shall be treated as an intention to indicate your approval for the company proposals and disapproval for the shareholder proposals.
- If you are attending the meeting, please submit the enclosed voting rights exercise form to the reception desk upon arrival.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites listed on page 1.
- 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 & Supervisory Board Members and the Accounting Auditor have audited the documents subject to audit including the following items.
 1. Systems for Ensuring Appropriate Business Operations
 2. Summary of Operational Status of Systems for Ensuring Appropriate Business Operations
 3. Notes to Consolidated Financial Statements
 4. Notes to Non-consolidated Financial Statements
- We do not prepare souvenirs for shareholders attending the General Meeting of Shareholders. We ask for your understanding.

The Company's website: <https://www.aska-pharma-hd.co.jp/english/>

Reference Materials for the General Meeting of Shareholders

<Company proposals (Proposal 1 to Proposal 3)>

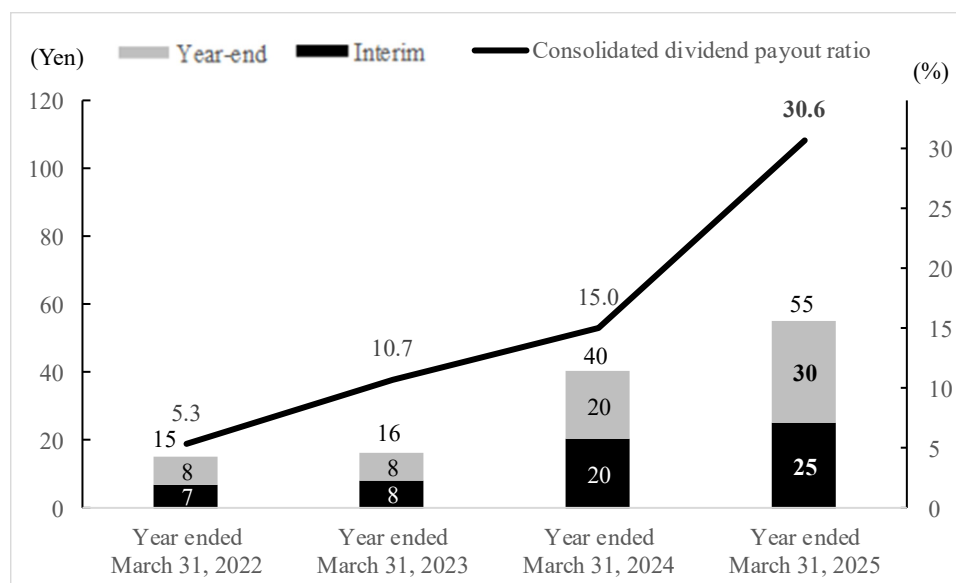
Proposal No. 1: Appropriation of Surplus

The Company has positioned the return of profits to its shareholders as one of its most important management issues, and its dividend policy is to aim for a consolidated dividend payout ratio of 30% as performance-based profit distribution. In addition, the minimum amount of the annual dividend per share shall be 30 yen and we will redistribute profits based on performance while maintaining stable dividends. In consideration of the steady business results and future business development, the Company would like to pay 30 yen per share for the year-end dividend for FY2024 (from April 1, 2024 to March 31, 2025) (the “current fiscal year”) as follows. As a result, the annual dividend for the full fiscal year will be 55 yen including the interim dividend of 25 yen, an increase of 15 yen per share from the previous fiscal year with the consolidated dividend payout ratio of 30.6%.

Matters on year-end dividends

- | | |
|--|---|
| (1) Type of dividend property: | Cash |
| (2) Allotment of dividend property and total amount thereof: | 30 yen per common share of the Company
Total amount: 850,971,690 yen |
| (3) Effective date of distribution of surplus: | June 25, 2025 |

(Reference) Change of dividends per share over time



* The interim dividend of 7 yen, a part of the 15 yen dividend for the fiscal year ended March 31, 2022, was a dividend from other capital surplus and was excluded from the calculation of the dividend payout ratio.

Proposal No. 2: Election of Nine (9) Members of the Board of Directors

Terms of office of all nine (9) Members of the Board of Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, we propose to elect nine (9) Members of the Board of Directors.

A candidate for a Member of the Board of Directors is as follows.

Candidate No.	Name		Position in the Company	Number of Board of Directors meetings attended
1	Takashi Yamaguchi	Reelection	President, Member of the Board of Directors, Representative Director Responsible for the Entire Group Management	100% (15/15)
2	Sohta Yamaguchi	Reelection	Senior Managing Member of the Board of Directors, Representative Director	100% (15/15)
3	Atsushi Maruo	Reelection	Senior Managing Member of the Board of Directors, Representative Director Assistant to the President, in charge of Sustainability	100% (15/15)
4	Maiko Mori	Reelection	Member of the Board of Directors, Executive Corporate Officer	100% (15/15)
5	Fumiyoshi Yamaguchi	Reelection	Member of the Board of Directors, Executive Corporate Officer	100% (15/15)
6	Minoru Awabayashi	Reelection Outside Independent	Member of the Board of Directors, Outside Director	100% (15/15)
7	Yasuji Enokido	Reelection Outside Independent	Member of the Board of Directors, Outside Director	100% (15/15)
8	Kanae Karita	Reelection Outside Independent	Member of the Board of Directors, Outside Director	100% (10/10)
9	Kiyoko Kato	New appointment Outside Independent	—	—

Note: The attendance of Kanae Karita covers only the Board of Directors meetings held since her appointment on June 25, 2024.

Candidate No. 1	Takashi Yamaguchi (Date of birth: May 10, 1952)	<u>Reelection</u>
Number of the Company's shares held: 703,358 shares Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 4 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1978	Joined ASKA Pharmaceutical Co., Ltd.
	Dec. 1987	Member of the Board of Directors of ASKA Pharmaceutical Co., Ltd.
	Jun. 1991	President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	President, Representative Director of the Company (current position)
	Jun. 2021	Member of the Board of Directors, Representative Director, Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (current position)
	[Reasons for nomination as candidate for Member of the Board of Directors] Takashi Yamaguchi has a wealth of experience and advanced knowledge of overall business activities of the Company and its subsidiaries (the "Group"). As President and Representative Director of ASKA Pharmaceutical, and as President of the Company since April 2021, he has been appropriately supervising the Group's overall management and exercising his strong leadership to enhance further its corporate value for 30 years since June 1991. Since we have concluded that he continues to be essential for achieving the Group's sustained growth and management vision in the future, we propose that he be reelected as Member of the Board of Directors.	

Candidate No. 2	Sohta Yamaguchi (Date of birth: December 17, 1983)	<u>Reelection</u>
Number of the Company's shares held: 141,300 shares Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 4 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 2008	Joined Hitachi, Ltd.
	May 2011	Registered as patent attorney
	Feb. 2016	Joined ASKA Pharmaceutical Co., Ltd.
	Jun. 2017	Director, Executive Corporate Officer (responsible for Innovative Drug Discovery) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2019	Managing Director (responsible for Innovative Drug Discovery, Development, and Business Strategy) of ASKA Pharmaceutical Co., Ltd.
	Apr. 2020	Managing Director (responsible for Innovative Drug Discovery, Development, Business Development, Medical Affairs) of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Member of the Board of Directors of the Company
	Jun. 2021	Senior Managing Member of the Board of Directors, Representative Director of the Company (current position)
	Jun. 2021	President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd. (current position)
	[Reasons for nomination as candidate for Member of the Board of Directors] Sohta Yamaguchi, as a patent attorney, has expertise in intellectual property rights and a wealth of business experience in the intellectual property division of the well-established company. In June 2017, he took office as Director of ASKA Pharmaceutical and was responsible for its innovative drug discovery division. In June 2019, he was promoted to Managing Director and was additionally responsible for its development division and business strategy division. He assumed the office of President, Member of the Board of Directors, Representative Director of the company in June 2021. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Member of the Board of Directors.	

Candidate No. 3	Atsushi Maruo (Date of birth: February 10, 1959)	<u>Reelection</u>
Number of the Company's shares held: 45,000 shares Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 4 years and 3 months	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1981	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
	Apr. 2009	Tohoku Region Manager and Sendai Branch Manager of The Mitsubishi Bank, Ltd.
	Oct. 2010	Corporate Officer of ASKA Pharmaceutical Co., Ltd.
	Jun. 2011	Member of the Board of Directors, Executive Corporate Officer of ASKA Pharmaceutical Co., Ltd.
	Jun. 2014	Executive Director of ASKA Pharmaceutical Co., Ltd.
	Jun. 2015	Director of ASKA Pharma Medical Co., Ltd. and Director of ASKA Animal Health Co., Ltd.
	Jun. 2019	Executive Director, Representative Director of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Member of the Board of Directors of the Company
	Jun. 2021	Senior Managing Member of the Board of Directors, Representative Director of the Company
	Jun. 2021	Member of the Board of Directors, Vice Chairman of the Board of ASKA Pharmaceutical Co., Ltd. (current position)
	Apr. 2023	Senior Managing Member of the Board of Directors, Representative Director, in charge of Sustainability of the Company (current position)
[Reasons for nomination as candidate for Member of the Board of Directors] Atsushi Maruo has a wealth of experience and achievements in the major banking corporation. He has a high level of expertise and broad insight of management and finance. He has been supervising Group-wide strategies, governance, etc. since he took office as Executive Director of ASKA Pharmaceutical in June 2014. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Member of the Board of Directors.		

Candidate No. 4	Maiko Mori (Date of birth: April 20, 1964)	<u>Reelection</u>
Number of the Company's shares held: 14,000 shares Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 3 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1987	Joined ASKA Pharmaceutical Co., Ltd.
	Jun. 2011	Director of Pharmaceutical Information Division of ASKA Pharmaceutical Co., Ltd.
	Jul. 2017	Director of Pharmaceutical Affairs Division of ASKA Pharmaceutical Co., Ltd.
	Apr. 2020	Division Director, Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer (Division Director, Quality & Safety Assurance Division) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2022	Director, Executive Corporate Officer (Division Director, Quality & Safety Assurance Division) of ASKA Pharmaceutical Co., Ltd. (current position)
	Jun. 2022	Member of the Board of Directors, Executive Corporate Officer of the Company (current position)
	[Reasons for nomination as candidate for Member of the Board of Directors] Maiko Mori has a wealth of practical experience and profound insight because she has held an important position in quality & safety assurance division of ASKA Pharmaceutical and has become Corporate Officer. In addition, since we can expect that she continues to lead further development of the Company and its subsidiaries in the future through various discussions from a woman's perspective, we propose that she be reelected as a Member of the Board of Directors.	

Candidate No. 5	Fumiyoshi Yamaguchi (Date of birth: November 3, 1986)	<u>Reelection</u>
Number of the Company's shares held: 8,700 shares Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 3 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Jul. 2011	Joined ASKA Pharmaceutical Co., Ltd.
	Apr. 2019	Corporate Officer, in charge of New Business Development and Deputy Director of Healthcare Business Unit of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer, in charge of Special Assignment of ASKA Pharmaceutical Co., Ltd. (Member of the Board of Directors of ASKA Animal Health Co., Ltd.)
	Jan. 2021	President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd. (current position)
	Jun. 2021	Corporate Officer, in charge of Special Assignment of the Company (President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd.)
	Jun. 2022	Member of the Board of Directors, Executive Corporate Officer of the Company (current position)
	[Reasons for nomination as candidate for Member of the Board of Directors] Fumiyoshi Yamaguchi has a high level of knowledge about the oversight of business management and business execution because he has held positions in management division and sales division of ASKA Pharmaceutical and has become Corporate Officer of the Company and the President, Member of the Board of Directors, Representative Director of its subsidiary. Since we can expect that he continues to lead further development of the Group in the future, we propose that he be reelected as Member of the Board of Directors.	

Candidate No. 6	Minoru Awabayashi (Date of birth: December 19, 1952)	<u>Reelection</u> <u>Outside</u> <u>Independent</u>
Number of the Company's shares held: None Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 2 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Jul. 1978	President and Representative Director of Nihon Yo Flow Co., Ltd. on establishment
	Jul. 1983	Managing Director of Pacific Marketing Partners, Inc. on establishment
	Jul. 1997	Vice President and Representative Director of Omniglow Japan Co., Ltd. on establishment
	Apr. 2005	President and Representative Director of Omniglow Japan Co., Ltd.
	Apr. 2016	Senior Vice President of Takenaka Partners Corp.
	Jun. 2023	Member of the Board of Directors, Outside Director of the Company (current position)
	Oct. 2024	CEO of M&A Strategy Advisors Co., Ltd. (current position)
	[Reasons for nomination as candidate for Outside Director and outline of expected role] Minoru Awabayashi has engaged in consulting work related to advancing into overseas markets for Japanese and foreign companies for many years, and has profound insight about the oversight of corporate management and business execution. He also has a wealth of knowledge on trade and distribution in Japan and abroad, in addition to experience working overseas at a consulting firm in the U.S. Since we can expect him to provide appropriate advice, oversight, etc. of the Group's management, we propose that he be reelected as Outside Director.	

Candidate No. 7	Yasuji Enokido (Date of birth: June 30, 1960)	<input type="checkbox"/> Reelection <input checked="" type="checkbox"/> Outside <input type="checkbox"/> Independent
Number of the Company's shares held: None Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 2 years	Career record, positions and assignments in the Company (Significant concurrent position)	
	Apr. 1983	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
	Aug. 2007	President of Panasonic Avionics Corporation
	Apr. 2013	Executive of Panasonic Corporation
	Apr. 2015	Managing Executive Officer of Panasonic Corporation, President of AVC Networks Company
	Jun. 2015	Managing Director of Panasonic Corporation
	Apr. 2016	Representative Director and Senior Managing Director of Panasonic Corporation
	Nov. 2017	Representative Director and President of Soen Co., Ltd. (current position)
	Jun. 2023	Member of the Board of Directors, Outside Director of the Company (current position)
	[Reasons for nomination as candidate for Outside Director and outline of expected role] Yasuji Enokido has keen insight into business management and the oversight of business execution because he has worked for top management teams at the renowned electronics giant and several other companies for many years. He also has a wealth of experience in the fields of business revitalization and new businesses, as well as a global perspective cultivated through working overseas. Since we can expect him to provide appropriate advice, oversight, etc. of the Group's management, we propose that he be reelected as Outside Director.	

Candidate No. 8	Kanae Karita (Date of birth: July 2, 1963)	<input type="checkbox"/> Reelection <input checked="" type="checkbox"/> Outside <input type="checkbox"/> Independent
Number of the Company's shares held: None Term of office served as Member of the Board of Directors (at the conclusion of this Annual General Meeting of Shareholders) 1 year	Career record, positions and assignments in the Company (Significant concurrent position)	
	Mar. 1986	Graduated from the School of Health Sciences of the Faculty of Medicine, the University of Tokyo
	Mar. 1988	Completed master course of the Graduate School of Medicine, the University of Tokyo
	Sep. 2007	Associate Professor of the Department of Hygiene and Public Health, Faculty of Medicine, Kyorin University
	Apr. 2015	Professor of the Department of Hygiene and Public Health, Faculty of Medicine, Kyorin University (current position) Director of the Kyorin University Gender Equality Promotion Office
	Jun. 2019	Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences (current position)
	Mar. 2022	Member of the Photochemical Oxidant Health Impact Assessment Committee, Ministry of the Environment
	Apr. 2024	Member of the Food Safety Standards Council, Cabinet Office (current position)
	Jun. 2024	Member of the Board of Directors, Outside Director of the Company (current position)
	[Reasons for nomination as candidate for Outside Director and outline of expected role] Kanae Karita, a medical scientist, has the high level of expertise and extensive experience in the public health field. In addition, as she actively tackles gender equality, we can expect that she takes an active part as Outside Director of the Group that aims at "contributing to women's health." Therefore, we propose that she be reelected as Outside Director.	

Candidate No. 9	Kiyoko Kato (Date of birth: September 6, 1960)	<div>New appointment</div> <div>Outside</div> <div>Independent</div>
Number of the Company's shares held: None	Career record, positions and assignments in the Company (Significant concurrent position)	
	Mar. 1986	Graduated from the School of Medicine, Kyushu University
	Jul. 2009	Associate Professor of the Department of Obstetrics and Gynecology, Juntendo University Graduate School of Medicine
	Aug. 2012	Professor, Reproductive Pathological Physiology, Faculty of Medical Sciences, Kyushu University (current position)
	Nov. 2015	Director, The Japan Society for Menopause and Women's Health (current position)
	Jun. 2023	Chairperson of Japan Society of Obstetrics and Gynecology (current position)
	[Reasons for nomination as candidate for Outside Director and outline of expected role] Kiyoko Kato, a medical scientist, has the top level of expertise and extensive experience in the obstetrics and gynecology field. We can expect that she plays her full part in deciding on key matters, overseeing business execution, etc. in the Group's pharmaceutical business development and other areas. Therefore, we propose that she be newly elected as Outside Director.	

Notes:

- 1) There is no special interest between either of the candidates and the Company.
- 2) Messrs. Minoru Awabayashi, Yasuji Enokido, and Mses. Kanae Karita and Kiyoko Kato are candidates for Member of the Board of Directors, Outside Directors. The Company considers that they have the independence as Outside Officer since they have satisfied the "Standards for the Independence of Outside Officers" of the Company presented below.
- 3) The Company reported the designation of Messrs. Minoru Awabayashi and Yasuji Enokido and Ms. Kanae Karita as independent officers under the provisions of Tokyo Stock Exchange, Inc. Ms. Kiyoko Kato currently satisfies the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc. If the election of Messrs. Minoru Awabayashi and Yasuji Enokido, and Mses. Kanae Karita and Kiyoko Kato is approved, this time, the Company will report their designation as independent officers to the said Exchange.
- 4) The Company entered into a limited liability agreement with Messrs. Minoru Awabayashi and Yasuji Enokido and Ms. Kanae Karita as stipulated in Article 427, paragraph (1) of the Companies Act. Limits on liability for damages under such agreements are set at the amounts stipulated by laws and regulations. If their reelection is approved, the Company plans to renew the aforementioned agreement with them. If the election of Ms. Kiyoko Kato is approved, the Company plans to enter into the same limited liability agreement with her.
- 5) The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Damages borne by insured persons, including Members of the Board of Directors of the Company, in the performance of their duties, or expenses arising from disputes by legal action, are covered by this insurance policy. When candidates are elected and assume office as Members of the Board of Directors, they become insured persons under the insurance policy. In addition, the Company plans to update the insurance policy with this same content at the time of the next update.
- 6) The number of shares in the Company owned by each candidate is that as of March 31, 2025.

Proposal No. 3: Election of Four (4) Audit & Supervisory Board Members

Terms of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, we propose to elect four (4) Audit & Supervisory Board Members. The Audit & Supervisory Board has given its consent to this proposal. Candidates for Audit & Supervisory Board Members are as follows.

Candidate No.	Name		Position at the Company	Number of Audit & Supervisory Board meetings attended
1	Kunihiro Gunji	Reelection	Audit & Supervisory Board Members	100% (12/12)
2	Kazuhiro Chiku	New appointment	Corporate Officer	—
3	Takao Kimura	Reelection Outside Independent	Outside Audit & Supervisory Board Member	100% (18/18)
4	Koki Yamashita	New appointment Outside Independent	—	—

Notes:

- 1) The attendance of Mr. Kunihiro Gunji covers only the Audit & Supervisory Board meetings held since his appointment on June 25, 2024.
- 2) There is no special interest between either of the candidates and the Company.
- 3) Messrs. Takao Kimura and Koki Yamashita are candidates for Outside Audit & Supervisory Board Members. The Company considers that they have the independence as Outside Officer since they have satisfied the “Standards for the Independence of Outside Officers” of the Company presented below.
- 4) The Company reported the designation of Mr. Takao Kimura as an independent officer under the provisions of Tokyo Stock Exchange, Inc. Mr. Koki Yamashita currently satisfies the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. If his election is approved this time, the Company will report the designation of Mr. Koki Yamashita as an independent officer to the said Exchange.
- 5) If the election of each of new candidates is approved, the Company intends to enter into a limited liability agreement with them in accordance with Article 427, paragraph (1) of the Companies Act. In addition, the Company intends to continue the same agreement with candidates for reelected Audit & Supervisory Board Members. Limits on liability for damages under such agreements are set at the amounts stipulated by laws and regulations.
- 6) The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. When each of the candidates is elected and assumes office as Audit & Supervisory Board Member, they become insured persons under the insurance policy.
- 7) The number of shares in the Company owned by each candidate is that as of March 31, 2025.

Candidate No. 1	Kunihiro Gunji (Date of birth: September 26, 1961)	<u>Reelection</u>
Number of the Company's shares held: 12,200 shares Term of office served as Audit & Supervisory Board Member (at the conclusion of this Annual General Meeting of Shareholders) 1 year	Career record and position in the Company (Significant concurrent position)	
	Apr. 1984	Joined ASKA Pharmaceutical Co., Ltd.
	Oct. 2008	Director of Sales Planning Department of ASKA Pharmaceutical Co., Ltd.
	Oct. 2016	Assistant Division Director of Sales Division of ASKA Pharmaceutical Co., Ltd.
	Jun. 2018	Corporate Officer (Division Director, Development Division) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer, in charge of Audit, Legal Affairs & Regulatory Compliance of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of the Company
	Oct. 2022	Corporate Officer (Director, Promotion Compliance Unit) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2024	Audit & Supervisory Board Member, the Company (current position) Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd. and Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. (current position)
	[Reasons for nomination as candidate for Audit & Supervisory Board Member] Kunihiro Gunji has a broad range of expertise and a high level of knowledge about the oversight of business execution because he has held an important position in sales and development divisions of ASKA Pharmaceutical and has become Corporate Officer in charge of audit, legal affairs & regulatory compliance of the Group. Since we believe that he can properly carry out the duties of Audit & Supervisory Board Member of the Group based on his knowledge and experience, we propose that he be reelected as Audit & Supervisory Board Member.	

Candidate No. 2	Kazuhiro Chiku (Date of birth: May 19, 1963)	<u>New appointment</u>
Number of the Company's shares held: 4,500 shares	Career record and position in the Company (Significant concurrent position)	
	Apr. 1987	Joined ASKA Pharmaceutical Co., Ltd.
	Apr. 2014	Director of Human Resources Department of ASKA Pharmaceutical Co., Ltd.
	Jun. 2020	Corporate Officer (Assistant Division Director, Administrative Division) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2021	Corporate Officer (Assistant Division Director, Production Division) of ASKA Pharmaceutical Co., Ltd.
	Jun. 2024	Corporate Officer, in charge of Audit and Legal Affairs & Regulatory Compliance of the Company (current position) Corporate Officer (Director, Promotion Compliance Unit) of ASKA Pharmaceutical Co., Ltd. (current position)
	[Reasons for nomination as candidate for Audit & Supervisory Board Member] Kazuhiro Chiku has a broad range of expertise and a high level of knowledge about the oversight of business execution because he has held important positions in administrative and production divisions of ASKA Pharmaceutical and has become Corporate Officer in charge of audit, legal affairs & regulatory compliance of the Group. Since we believe that he can properly carry out the duties of Audit & Supervisory Board Member of the Group based on his knowledge and experience, we propose that he be newly elected as Audit & Supervisory Board Member.	

Candidate No. 3	Takao Kimura (Date of birth: August 9, 1951)	<div>Reelection</div> <div>Outside</div> <div>Independent</div>
Number of the Company's shares held: None Term of office served as Outside Audit & Supervisory Board Member (at the conclusion of this Annual General Meeting of Shareholders) 4 years and 3 months	Career record and position in the Company (Significant concurrent position)	
	Nov. 1975	Joined Hoechst Japan Ltd. (currently Sanofi K.K.)
	Jul. 2000	President and Representative Director of Nycomed Amersham PLC
	Dec. 2002	Executive Officer, General Manager of Business Development Division of Aventis Pharma Ltd. (currently Sanofi K.K.)
	Apr. 2010	Executive Officer, Supervising Manager of Business Development Division in Asia-Pacific Region of Sanofi-Aventis K.K. (currently Sanofi K.K.)
	Feb. 2016	Representative Partner of TK Pharma Partners LLC. on establishment
	Jun. 2017	Outside Audit & Supervisory Board Member of ASKA Pharmaceutical Co., Ltd.
	Apr. 2021	Outside Audit & Supervisory Board Member, the Company (current position)
[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Takao Kimura held important positions in the business development divisions at foreign major pharmaceutical companies and has advanced and professional knowledge. Furthermore, in addition to being well acquainted with drug development, he has a wealth of experience in corporate management. Since we believe that he can properly carry out the duties of Audit & Supervisory Board Member of the Group from an objective and neutral standpoint based on his knowledge and experience, we propose that he be reelected as Outside Audit & Supervisory Board Member.		

Candidate No. 4	Koki Yamashita (Date of birth: February 28, 1963)	<div>New appointment</div> <div>Outside</div> <div>Independent</div>
Number of the Company's shares held: None	Career record and position in the Company (Significant concurrent position)	
	Apr. 1988	Joined Tokyo Regional Taxation Bureau
	Jul. 2014	Deputy District Director of Kawasaki-nishi Tax Office
	Jul. 2019	District Director of Sakyo Tax Office
	Jul. 2020	Manager of Co-ordinated Examination and Information Management Division, First Examination Department, Tokyo Regional Taxation Bureau
	Jul. 2022	District Director of Kanda Tax Office
	Aug. 2023	Tax Accountant LR Partners Kawasaki Office Manager (current position)
	[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Koki Yamashita has a high level of knowledge and a wealth of business experience in taxation matters, finance, accounting, etc. as a certified public tax accountant. Since we believe that he can properly carry out the duties of Audit & Supervisory Board Member of the Group from an objective and neutral standpoint based on his knowledge and experience, we propose that he be newly elected as Outside Audit & Supervisory Board Member.	

Reference: Skill Matrix

The Company has prepared a skill matrix by identifying skills that Members of the Board of Directors should possess in order for the Board of Directors to execute its decision-making and management supervisory functions. Toward realizing our Vision “Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company” and achieving “ASKA Pharmaceutical Holdings’ Medium-Term Management Plan 2025” began in FY2021, we identified eight skills that are considered particularly important. If Proposals No. 2 and No. 3 are approved as drafted, the composition, experience, and expertise of the Company’s Members of the Board of Directors and Audit & Supervisory Board Members will be as below.

Name	Position	Corporate management	R & D / Intellectual property	Sales / Marketing	Medicine / Pharmacy	Global business	Finance / Accounting	Legal / Risk management	Sustainability / ESG
Members of the Board of Directors	Takashi Yamaguchi	Member of the Board of Directors, Representative Director, Chairman of the Board	●	●	●				
	Sohta Yamaguchi	President, Member of the Board of Directors, Representative Director	●	●		●	●	●	
	Atsushi Maruo	Senior Managing Member of the Board of Directors, Representative Director	●			●	●	●	●
	Maiko Mori	Member of the Board of Directors, Executive Corporate Officer		●	●			●	
	Fumiyoshi Yamaguchi	Member of the Board of Directors, Executive Corporate Officer	●	●					●
	Minoru Awabayashi	Member of the Board of Directors, Outside Director	●	●		●	●	●	
	Yasuji Enokido	Member of the Board of Directors, Outside Director	●	●		●	●	●	
	Kanae Karita	Member of the Board of Directors, Outside Director		●	●				●
	Kiyoko Kato	Member of the Board of Directors, Outside Director		●	●				●
Audit & Supervisory Board Members	Kunihiro Gunji	Audit & Supervisory Board Member		●	●	●		●	
	Kazuhiro Chiku	Audit & Supervisory Board Member		●			●	●	
	Takao Kimura	Outside Audit & Supervisory Board Member		●	●	●		●	
	Koki Yamashita	Outside Audit & Supervisory Board Member	●				●	●	●

Note: Highly professional skills that the Members of the Board of Directors and Audit & Supervisory Board Members possess and which are expected of Members of the Board of Directors and Audit & Supervisory Board Members for achieving the medium-term management plan are indicated.

Reason for selection of each skill

Skill items	Reason for selection of skills
Corporate management	Amid major changes in the business environment, we need directors with extensive knowledge, experience, and achievements in not only the medical and pharmaceutical industries but also in general corporate management to formulate and promote a medium- to long-term sustainable growth strategy for us to realize our Group's goal of becoming a total healthcare company with a strong foundation as a specialty pharma company.
R & D / Intellectual property	To continue creating products that meet unmet medical needs, it is essential that we strengthen our R&D capabilities through open innovation and globalize intellectual property activities. We need directors who have strong knowledge, experience, and achievements in the fields of R&D and intellectual property to promote these activities.
Sales / Marketing	Amid the rapidly changing environment surrounding medical care and animal health businesses, we need directors who have strong knowledge, experience, and achievements in sales and marketing fields to continue providing patients and healthcare professionals with information on the proper use of drugs and products by pursuing sales and marketing strategies utilizing digital/information technology.
Medicine / Pharmacy	In order to realize the Group's goal of becoming a total healthcare company, we need directors who have strong knowledge, experience, and achievements in the fields of medicine and pharmacy to widely contribute to human and animal health which ranges from prevention, testing, diagnosis to treatment, and prognosis management.
Global business	In the healthcare business, the adaptation and strategic expansion to international markets in addition to domestic markets are indispensable and we need to understand global regulations and market trends and control risk.
Finance / Accounting	In addition to accurate financial reporting, we need directors who have strong knowledge, experience, and achievements in the finance and accounting fields to formulate and promote a financial and capital strategy that balances ensuring a stable financial base and improving capital efficiency, and achieves appropriate shareholder returns.
Legal / Risk management	The establishment of an appropriate governance system is the foundation for sustainable corporate value improvement. To promote a compliance system that ensures thorough compliance with laws and corporate ethics, we need directors who have strong knowledge, experience, and achievements in legal and risk management.
Sustainability / ESG	With sustainability at the core of our management, the Group aims to enhance corporate value by not only maximizing our economic value but also by increasing our social value. To achieve this, we need directors who have strong knowledge, experience, and achievements in the sustainability and ESG fields.

Reference: Efforts for reduction in cross-shareholdings

(1) Basic principles

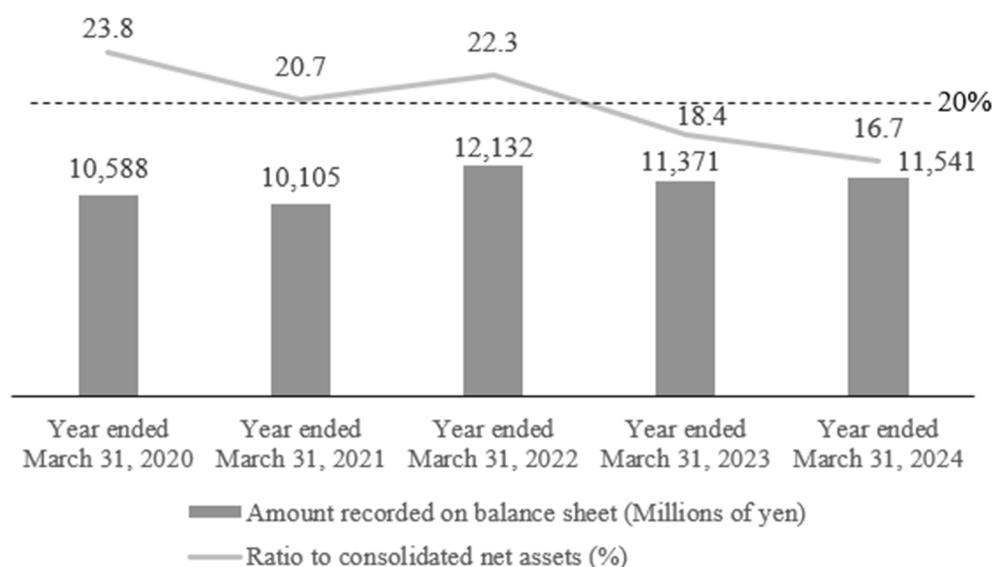
The Company will hold cross-shareholdings that it judges will contribute to the maintenance and improvement of the Group's corporate value from the perspective of business expansion and the maintenance and strengthening of business relationships.

However, the Board of Directors will examine and verify the corporate performance and financial conditions of each counterparty, management indicators of profitability and growth potential, and the comparison between the benefits of holding the shares and the cost of capital, and will reduce the number of shares held if the significance of holding such shares is not necessarily sufficient, based on the results of dialogue with the counterparty.

(2) Status of cross-shareholdings

As of the end of March 2025, the ratio of cross-shareholdings (11,541 million yen) to consolidated net assets of the Group declined 1.7% from the end of the previous fiscal year to 16.7%.

(3) Status of increase/decrease



Note: Figures in FY2020 are those of ASKA Pharmaceutical Co., Ltd.

Reference

Standards for the Independence of Outside Officers

1. Independent Outside Officers under these standards are defined as those who satisfy the legal requirements of Outside Officers and do not fall under any of the followings:
 - (1) A person who executes business of the Company or its consolidated subsidiaries (the “Group”)¹, or who had executed the business of the Group for a period of 10 years before having been appointed to do so
 - (2) A major shareholder of the Company² (including those that were major shareholders in the past three years) or a person who executes business of such a shareholder when the shareholder is a corporate entity, a cooperative or other such group (including those that were major shareholders in the past three years), or a person who executes business of a corporate entity, cooperative or other such group (including those that were major shareholders in the past three years) for which the Company is a major shareholder
 - (3) A person that executes business of a company that has a significant transactional relationship with the Group³, or business of its parent or subsidiaries
 - (4) A person who is a lawyer, certified public accountant, other kind of consultant, or a person who executes business of a corporate entity, a cooperative or other such group, and has received, apart from director/audit & supervisory board member remuneration from the Group, a significant amount of money or other property benefits⁴ from the Group
 - (5) A person who executes business of a corporate entity, a cooperative or other such group that has received donations, etc. exceeding a certain amount⁵ from the Group
 - (6) A person who belongs to an auditing firm that is an accounting auditor of the Group or who belonged to an accounting firm that was an accounting auditor of the Group in the past three years
 - (7) A person who executes business of a company or of its parent or subsidiaries that employ a member of the board of directors from the Group or employed a member of the board of directors from the Group in the past three years
 - (8) A spouse or a relative within two (2) degrees of kinship of a person who falls under any of the (1) through (7) above
 - (9) A person who might potentially pose continual and substantial conflict of interest with overall general shareholders of the Company due to reasons not provided in (1) through (8) above.

Notes:

- 1) A person who executes business refers to an executive director, executive, corporate officer, employees executing business, and other persons with similar authority
 - 2) A major shareholder refers to a shareholder who directly or indirectly holds 10% or more of the Company’s voting rights
 - 3) A company that has a significant transactional relationship with the Group refers to a company falling under any of the followings:
 - (i) A company for which the Group is a major business partner
A company that received payment from the Group of more than 2% of its total consolidated net sales in any of the most recent three fiscal years
 - (ii) A company that is a major business partner for the Group
A company that paid to the Group more than 2% of consolidated net sales of the Company in any of the most recent three fiscal years, or a company that had extended to the Group the amount of loans equivalent to more than 2% of the consolidated total assets of the Company as of the end of the latest fiscal year
 - 4) A significant amount of money or other property benefits refer to 10 million yen per year on average over the last three fiscal years, or more than 2% of the total annual revenue on average over the last three fiscal years if a person receiving such a significant amount of money or other property benefits is a corporate entity, cooperative or other such group
 - 5) Donations, etc. exceeding a certain amount refer to donations/subsidies exceeding the amount of 10 million yen per year on average over the last three fiscal years or 2% of the total annual revenue of the corporate entity, cooperative or other such group in the latest fiscal year, whichever is greater
2. Even in the event a person falls under any of the items (1) through (9) set forth above, the Company may appoint the person as its Outside Officer if the Group Nomination Committee believes the person is suitable for the position as an Outside Officer with sufficient independence based on overall evaluation of his/her independence, provided that the Committee externally provides an explanation as to why it believes such person fully satisfies the requirements as an Outside Officer stipulated in the Companies Act and thus qualifies as an Outside Officer with sufficient independence.

<Shareholder proposals (Proposal 4 to Proposal 6)>

Proposal 4 to Proposal 6 were submitted by shareholders.

The Board of Directors opposes all shareholder proposals as described below.

The outline of the proposals and the reasons for the proposals are presented as originally submitted.

Proposal 4: Acquisition of Treasury Share

(1) Summary of Proposal

Pursuant to the provision of Article 156, paragraph 1 of the Companies Act, within one year from the conclusion of the General Meeting of Shareholders, the Company shall acquire its own common shares, limited to a total of 2,876,000 shares with a total acquisition price of 6,902,000,000 yen, by payment of cash.

(2) Reasons for Proposal

The Company share price has been sluggish since last year, and the market seems to think that its measures are still not enough. Therefore, in order to further enhance shareholder returns and improve capital efficiency of the Company, we believe that the Company should acquire about 10% of its issued shares and adopt a policy to cancel such shares in accordance with Article 178 of the Companies Act.

[Opinion of the Board of Directors of the Company]

The Board of Directors of the Company opposes the Shareholder Proposal.

Based on its corporate philosophy “Contribute toward the improvement of people’s health and progress in society through the development of innovative products,” the Company aims to become a “Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company” and strengthens its efforts by setting the targets of net sales of 70 billion yen, operating profit’s ratio of 8% and ROE (return on equity) of 8% in the Medium-Term Management Plan 2025 covering five years from 2021 in order to realize the enhancement of corporate value over the medium to long term.

In the Medium-Term Management Plan (FY2021 to FY2025), the Company has established seven strategies (1. Enhancing Corporate Value by Strengthening Initiatives in the Specialty Areas; 2. Continuous Creation of New Drugs through Advanced Drug Discovery; 3. Overseas Operations; 4. Providing New Value to Realize Total Healthcare; 5. Improve Operational Efficiency, Cut Costs, and Reinforcing Our Financial Base; 6. Foster an Organizational Culture That Emphasizes thorough Compliance and Accountability; and 7. Develop Human Resources to Realize Growth Strategies) and is steadily implementing these measures and carrying out activities to enhance sustainable corporate value.

The Company considers that it is important to allocate funds in a balanced manner for both “investment in growth” and “return to shareholders” in order to improve corporate value over the medium to long term, and in November 2023, it released specific cash allocations for future growth under the title “ASKA Pharmaceutical Holdings Takes Action to Implement Management That is Conscious of Cost of Capital and Share Price.”

In the mainstay ethical pharmaceutical business, the Company has strengthened its growth strategy more than ever by further enhancing its position as a leading company in the obstetrics and gynecology field, focusing on drug discovery research as an R&D-oriented company. However, the introduction of new drugs temporarily requires a large amount of capital, ranging from several billion yen to over 10 billion yen, depending on the drug. Moreover, the Company enhances its growth strategy by actively investing the cash acquired from business activities in the ethical pharmaceutical business as well as in the overseas businesses centering on Southeast Asia, the companion animal business, which is expected to grow among the field of veterinary pharmaceuticals, and new businesses for further growth as a total healthcare company. At the same time, the Company has invested in and allocated its funds in human capital and production facilities to strengthen its management base.

In addition, the Company regards the return of profits to shareholders as one of its most important management issues with its basic policy to maintain stable dividends while returning profits in line with its business performance. Regarding profit distribution from the fiscal year ended March 31, 2025, the Company will maintain stable profit distribution by indicating a consolidated dividend payout benchmark ratio of 30% as performance-linked profit distribution, with a minimum annual dividend per share of 30 yen.

With regard to the buyback and cancellation of treasury shares, the Company flexibly and at the appropriate time acquires and cancels treasury shares, comprehensively taking into consideration growth investments, dividend levels, cash on hand, and the share price level, etc. In FY2021, the Company acquired 300,000 treasury shares at a total acquisition price of 316,476,300 yen. In FY2024, the Company cancelled 1,800,000 treasury shares (equivalent to 5.89% of the total number of issued shares before the cancellation) to further improve capital efficiency and share value.

Based on such policy, the Company has allocated its funds in a balanced manner to both investments for growth and shareholder returns, while keeping a good balance, thereby aiming to achieve the targets set forth in the Medium-Term Management Plan.

However, the Shareholder Proposal calls for the acquisition of a total of 2,876,000 treasury shares within one year at a total acquisition price of approximately 6.9 billion yen. Given that the Company’s profit attributable to owners

of parent for FY2024 was 5.1 billion yen, the total acquisition price of treasury shares will significantly exceed the Company's annual cash flow level. The Company recognized that, if the contents of the Shareholder Proposal were implemented, it would not only deteriorate the financial resources for investment for growth and slow down the Company's medium- to long-term growth and the improvement of its corporate value, but it would also decrease financial stability and consequently undermine the medium- to long-term interests of shareholders. Therefore, the Company considers it inappropriate for it to conduct the acquisition of treasury shares on the scale of the Shareholder Proposal within one year, as it would not facilitate smooth execution of growth investments.

For the reasons above, the Board of Directors of the Company opposes the Shareholder Proposal.

(Reference) Shareholder returns

Classification	FY2021	FY2022	FY2023	FY2024 (Forecast)	FY2025 (Planned)
Dividend per share	15 yen	16 yen	40 yen	55 yen (Forecast)	55 yen (Planned)
Dividend payout ratio	5.3%*	10.7%	15.0%	30.6% (Forecast)	30.0% (Planned)
Total return ratio	12.6%	10.7%	15.0%	30.6% (Forecast)	30.0% (Planned)

* The interim dividend of 7 yen, a part of the 15 yen dividend for FY2021, was a dividend from other capital surplus and was excluded from the calculation of the dividend payout ratio.

Proposal 5: Amendment to the Articles of Incorporation concerning the Number of Outside Directors

(1) Summary of Proposal

Article 22* of the Company's Articles of Incorporation shall be amended as follows in order to increase the number of Outside Directors of the Company to a majority:

Before change	After change
Article 22 Number of Directors 1. The number of Directors of the Company shall be up to 10. <u>2. (Newly established)</u>	Article 22 Number of Directors 1. The number of Directors of the Company shall be up to 10. <u>2. The majority of the Directors of the Company shall be Outside Directors stipulated in Article 2, paragraph 1, Item 15 of the Companies Act.</u>

* Note from the Company: The number of Directors is specified in Article 19 of the Company's Articles of Incorporation.

(2) Reasons for Proposal

Corporate Governance Code Principle 4-8 states that "Independent Outside Directors should fulfill their roles and responsibilities in a manner that contributes to the sustainable growth of the Company and enhancement of the Company's medium- to long-term corporate value. Prime market-listed companies should appoint independent Outside Directors who possess such qualities in sufficient numbers, with at least one-third of the Directors being independent Outside Directors. Furthermore, notwithstanding the above, Prime market-listed companies that consider it necessary to appoint a majority of independent Outside Directors in comprehensively considering factors such as industry, scale, business characteristics, organizational structure, and the environment surrounding the Company should appoint an adequate number of independent Outside Directors." In addition, the Corporate Governance Code Principle 4-7 lists one of the roles and responsibilities of independent Outside Directors as "appropriately reflecting the opinions of minority shareholders and other stakeholders to the Board of Directors from a position independent of management and controlling shareholders."

The Company has four Outside Directors out of nine Directors, meeting the requirement of more than one-third. However, we believe that by actively increasing the number of Outside Directors to a majority, the Company can improve capital efficiency, enhance shareholder returns, and establish a governance structure that contributes to the sustainable growth and enhancement of corporate value over the medium to long term.

In addition to the number of Outside Directors, it is necessary to have Outside Directors with the qualities that will contribute to the sustainable growth and medium- to long-term enhancement of corporate value. In this regard, we believe that the appointment of analysts with advanced experience and skills should be considered.

We believe that appointment of personnel with high levels of experience and skills as analysts is an effective way to bring the perspective of external investors and shareholders to the Board of Directors, while also enhancing corporate value through sound risk-taking. Essentially, the Board of Directors of listed companies and investors/shareholders share the same goal of long-term improvement of corporate value. Unfortunately, however, in Japan, the two sides are often viewed as being in opposition to each other. We believe that the participation of Directors with the above experience and skills in the discussions and decision-making of the Board of Directors will contribute to sound risk-taking and capital allocation, as well as better communication with the market, thereby restoring the relationship between the Board of Directors and the share market to its proper constructive state. It is often explained that former bankers and accountants are responsible for the finance portion of the Directors' skill matrix. However, from the perspective of promoting "sound risk-taking," we believe that expertise in accounting and debt markets is not sufficient, and that it is significant to appoint experts in equity markets to compensate for this deficiency.

[Opinion of the Board of Directors of the Company]

The Board of Directors of the Company opposes the Shareholder Proposal.

The Company has established the Group Nomination Committee as an advisory body to the Board of Directors in order to enhance the fairness and objectivity of the deliberation process in nominating Board members. The Group Nomination Committee is chaired by an outside director and the majority of its members are Outside Directors, ensuring its independence. Based on the skill matrix disclosed in the Corporate Governance Report, the Group Nomination Committee proposes the Board of Directors to nominate those who contribute to enhancing corporate value as director candidates in light of the Company's management strategy.

The Company believes that it is important for the Board of Directors to be comprised of members with sufficient knowledge, experience and competence, etc., in a balanced manner, and selects candidates after taking into

consideration the balance of skills and securing diversity. With regard to Outside Directors, the Company nominates candidates who are capable of contributing to the sustainable growth and medium- to long-term enhancement of corporate value of the Company, based on their knowledge and experience in corporate management, as well as their expertise in medicine and pharmacy.

The Board of Directors of the Company conducts an evaluation of the effectiveness of the Board of Directors every year. Based on opinions, etc. from inside and Outside Directors, and by receiving the results of the external evaluation, the Board of Directors accurately grasps issues relating to the structure, the quality of discussions, decision making processes, etc. The Board of Directors conducts discussions based on an awareness of issues and continuously works for improvement. The Company has recognized the effectiveness of the Board of Directors is ensured.

Upon approval of the proposal for election of Directors to be proposed by the Company at this General Meeting of Shareholders, four of the nine members of the Board of Directors will be independent Outside Directors. Each of the four candidates for Outside Directors is a corporate executive (including those with experience), a physician, and a medical professional, and has experience and expertise in corporate management, research and development, intellectual property, sales and marketing, medical science and pharmacy, global business, finance and accounting, legal affairs and risk management, and sustainability and ESG. In addition, three out of nine Directors are female Directors, and the ratio of female Directors is 33.3%. The Company believes that the composition of Directors is appropriate to ensure a balance of skills and diversity, and to conduct active discussions.

The Board of Directors, composed of the candidates for Directors to be proposed by the Company, is sufficiently independent and is expected to achieve the Medium-Term Management Plan 2025 of the Company, which the Company believes will lead to the sustainable enhancement of the Company's corporate value, in other words, the interests of its shareholders.

The Company received a proposal to establish a majority of Outside Directors in the Articles of Incorporation. However, as described above, the Company recognizes that the composition of the Board of Directors should be reviewed flexibly in accordance with the business environment and business strategy. The Company believes that the establishment of such a provision in the Articles of Incorporation may limit the scope of selection of candidates for Directors, and may hinder the consideration and formation of the most suitable Board of Directors at the time. In addition, with regard to the "appointment of personnel with analyst skills" as indicated, the Company fully recognizes the importance of sound risk-taking. Furthermore, as stated in the skill matrix, the Company strives to both secure a stable financial base and improve capital efficiency. In the actual meetings of the Board of Directors, appropriate deliberations and decision making are conducted while receiving advice from consultants and external experts as necessary.

As disclosed in the Integrated Report, etc., the Company engages in continuous and careful dialogue with shareholders. Through this process, the Company recognizes that the viewpoints of external investors and shareholders are reflected in the Board of Directors.

Accordingly, the Company Board of Directors has determined that it is not appropriate to establish a majority of Outside Directors in the Articles of Incorporation, and opposes the Shareholder Proposal.

Proposal 6: Approval of Amount of Remuneration for Restricted Share Compensation Plan

(1) Summary of Proposal

The maximum amounts of remuneration for the Company Directors were approved at the shareholders' meeting held on June 24, 2021, as follows: annual remuneration of up to 500 million yen for Directors, with up to 70 million yen for Outside Directors, and separately, restricted share compensation of up to 100 million yen per year. However, in light of recent circumstances, the Company shall grant, in addition to the aforementioned annual compensation amounts, monetary compensation claims for the grant of restricted shares with a maximum annual amount of 500 million yen and a maximum number up to 200,000 shares to all Directors, including Outside Directors.

The specific payment timing and allocation shall be determined by the Board of Directors. The plan shall be designed as a performance based bonus plan that includes ROE and TSR (total shareholder return), and if the performance criteria are met, restricted shares equivalent to a cumulative amount of three times fixed remuneration shall be granted over the next three years.

(2) Reasons for Proposal

We believe that the most considerable weak points of boards of directors in Japan are that directors have few shareholdings and lack a shareholder's perspective as a result. At the Company as well, the shareholdings of the Directors are limited, with the majority of their economic gains coming from their basic compensation in the form of fixed remuneration. While some remuneration is linked to the achievement of performance, we believe that the sharing of value with shareholders, which is the purpose of restricted share compensation, is insufficient. It is necessary for the Directors to be given an economic incentive to endeavor to sustainably improve the corporate value of the Company and for Director interests to be unified with those of shareholders so that the positive outcomes of improved corporate value are enjoyed alongside shareholders.

The ideal amount of effective share-based compensation for facilitating value-sharing between Directors and shareholders is established as an amount equivalent to three times fixed remuneration. Although the Company has introduced a restricted share compensation plan, the actual payment performance of remuneration to its Directors, including monetary remuneration, in the 3rd Fiscal Year (from April 1, 2023 to March 31, 2024) has not been disclosed and it is impossible to determine whether effective compensation is actually paid. However, even looking at the share compensation framework, it is easy to infer that the actual amount of share compensation paid is extremely small compared to fixed compensation. share compensation is meaningless unless it is granted during the term of office of directors, so it is necessary to grant a certain amount within a relatively short period of time. Moreover, at nearly all major listed companies in Europe and the United States, shareholding guidelines that set forth continuous shareholding conditions over a fixed period of time have been adopted for a certain number of shares believed to be necessary in sharing value with shareholders. In most cases, following a grace period of several years, share-based compensation is established as three to five times basic compensation for top management and one time compensation even for Outside Directors. We hereby propose that the Directors of the Company and other members of its management team strive for a level of ownership that does not lag behind world standards rather than remain trapped by past conventional wisdom and show their commitment through adequate disclosure, and believe that shareholding guidelines should be established.

[Opinion of the Board of Directors of the Company]

The Board of Directors of the Company opposes the Shareholder Proposal.

Remuneration for Directors of the Company is determined by the Board of Directors after deliberations by the Group Remuneration Committee, an advisory committee chaired by an Outside Director and a majority of whose members are Outside Directors, in accordance with ensuring transparency, fairness and objectivity.

The remuneration for Directors (excluding Outside Directors) is designed to contribute to the sustainable improvement of corporate value. Specifically, in addition to fixed remuneration, it consists of a performance based bonus (based on performance indicators such as ROE and nonfinancial indicators such as CO₂ emissions reduction) and a share-based remuneration plan as a medium- to long-term incentive. The approximate ratio is as follows.

Base Salary: Performance-Based Bonus: Restricted Share Compensation = 55-70%: 15-30%: 10-15%

Remuneration for Outside Directors consists solely of fixed remuneration, without short-term or medium- to long-term incentives, in order to ensure the full functioning of the supervisory function of management.

The Board of Directors of the Company approved at the Extraordinary General Meeting of Shareholders held in June 2021 that the maximum amount of remuneration for Directors shall be 500 million yen per year, of which 70 million yen shall be for Outside Directors. Apart from this, the maximum amount of remuneration for restricted share compensation shall be 100 million yen per year.

The specific amount of remuneration for each Director is determined at a certain time each year within the maximum amount and maximum number of shares approved at the General Meeting of Shareholders, taking into

consideration the position (job position), duties, and tenure, etc., based on the report of the Group Remuneration Committee, an advisory committee in which the chairperson is an Outside Director and a majority of the members are Outside Directors.

As for share compensation, the Company introduced a restricted share compensation plan at the General Meeting of Shareholders held in June 2018 during the era of ASKA Pharmaceutical Co., Ltd. In addition, at the Extraordinary General Meeting of Shareholders held in June 2021, following the transition to the Holdings structure, the Company received approval to newly introduce the remuneration for restricted share compensation in order to provide an incentive for Directors (excluding Outside Directors) to achieve the sustainable enhancement of the Company's corporate value and to further share that value with shareholders. The remuneration to be paid to eligible Directors for the grant of shares with restriction on transfer is a monetary claim, and the total amount is deemed to be reasonable based on the above purpose, and is currently managed at an annual amount of up to 100 million yen.

In FY2024, the Company expanded the scope of the remuneration for restricted share compensation to include all corporate officers and, like Directors, provided an incentive to continuously enhance corporate value with the aim of further sharing value with shareholders.

In this way, the current remuneration system of the Company is appropriate in that it provides an incentive to continuously enhance corporate value and sufficiently realize value sharing with shareholders, and its level is also appropriate.

The Shareholder Proposal is designed to grant monetary remuneration receivables for granting restricted shares up to 200,000 shares in an aggregate amount of up to 500 million yen per year as the amount of remuneration for Directors including Outside Directors, separately from the annual amount of remuneration to date. If the performance criteria are met, restricted shares equivalent to three times the fixed remuneration will be granted in the aggregate over the next three years. It is also far from the current level of performance, and it lacks the balance between the fixed remuneration and the performance-linked remuneration, and is considered to be an excessive amount of remuneration considering the size, etc. of the Company.

The Shareholder Proposal proposes to introduce a restricted share compensation plan for Outside Directors as a performance-linked incentive system. However, the Company has introduced a performance based bonus system for internal Directors, consisting of performance based bonuses (based on financial indicators such as ROE and non-financial indicators such as CO₂ emissions reduction), and already has a performance based bonus system in place. Moreover, Outside Directors are responsible for monitoring and supervising management from an independent standpoint. Therefore, the Company does not grant restricted shares for Outside Directors.

Based on the above, the Board of Directors of the Company opposes this proposal.

The Company will consider the intent of this Shareholder Proposal, and intends to continue to have the Group Remuneration Committee and the Board of Directors which received its recommendation consider ideal remuneration systems for improving corporate value, including not only the balance and level of remuneration structure but also Directors' views on the number of shares held by the Company.

(Reference)

Classification	2021	2022	2023	2024*
Total amount of Remuneration for Restricted Share Compensation	48,900,500 yen	44,962,400 yen	45,627,400 yen	46,483,200 yen

* The scope of remuneration has been expanded to include all Corporate Officers since 2024, and the total amount of share remuneration for all eligible persons is 84,008,700 yen.

-END-

Business Report (from April 1, 2024 to March 31, 2025)

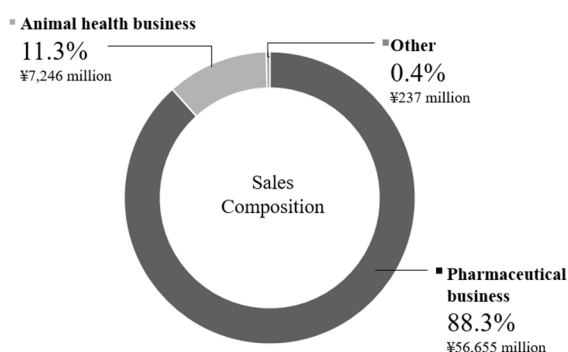
1. Current Status of the Corporate Group

(1) Progress and results of business

The Group's net sales for the current fiscal year were 64,139 million yen, up 1,296 million yen year on year (YoY). This was due mainly to increased sales in the Animal Health Business, which experienced growth of feed additives, in addition to the Medical Pharmaceuticals Business supported by steady results of products in the obstetrics and gynecology area. In addition, as the cost to sales ratio declined 0.1% YoY, resulting in cost of sales of 32,803 million yen, gross profit increased by 670 million yen YoY to 31,335 million yen. At the same time, selling, general and administrative expenses rose by 1,839 million yen YoY to 26,003 million yen, which were mainly affected by increased costs due to the progressing research and development, and as a result operating profit was down 1,168 million yen YoY to 5,331 million yen. Ordinary profit was 5,107 million yen, after recording 398 million yen in non-operating income and 622 million yen in non-operating expenses. Furthermore, while 127 million yen was recorded in gain on sale of investment securities as extraordinary income and 1,257 million yen was recorded in subsidiary-related profit and loss due to Vietnam's pharmaceutical company Ha Tay Pharmaceutical Joint Stock Company, which was an equity-method affiliate becoming a consolidated subsidiary. 300 million yen was recorded as extraordinary losses resulting from impairment of intangible assets, resulting in profit attributable to owners of parent of 5,101 million yen. Compared with the previous fiscal year in which we recorded extraordinary income associated with sale of investment securities, profit decreased 2,444 million yen due to the difficult comparison.

(In millions of yen)

	FY2023 (Year ended March 31, 2024)	FY2024 (Year ended March 31, 2025) (Current fiscal year)	Year-on-year change
Net sales	62,843	64,139	Up 1,296, or 2.1%
Operating profit	6,500	5,331	Down 1,168, or 18.0%
Ordinary profit	6,522	5,107	Down 1,414, or 21.7%
Profit attributable to owners of parent	7,545	5,101	Down 2,444, or 32.4%

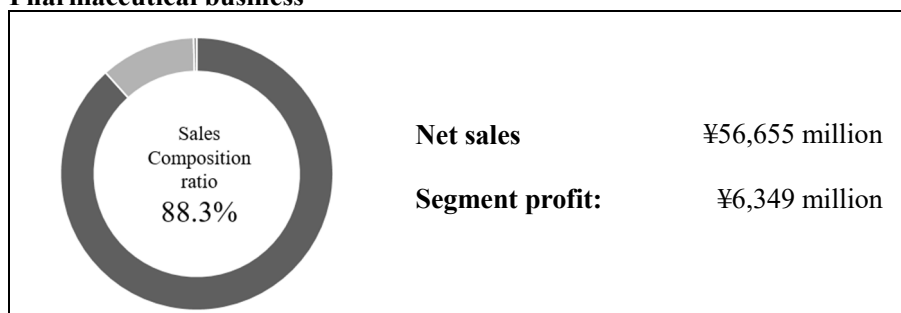


(Reference)

	FY2024 (Year ended March 31, 2025) (Current fiscal year)
Net sales	¥64.1 billion
Operating profit margin	8.3%
ROE	8.0%

[Operating performance by business segment]

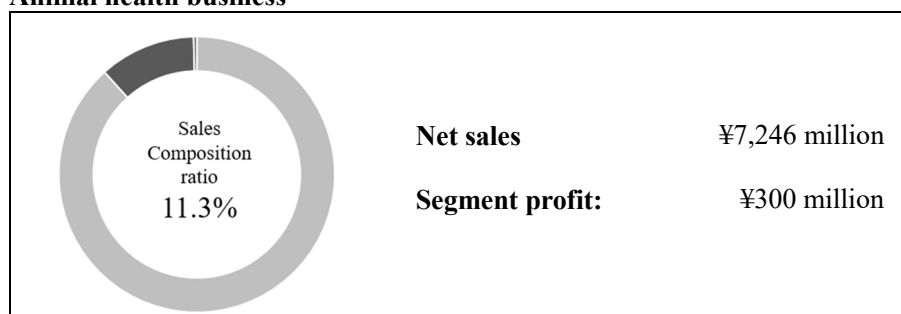
Pharmaceutical business



The pharmaceutical drug business, which focuses on the three fields of internal medicine, obstetrics and gynecology, and urology, showed favorable trends overall, despite the impact of the periodical NHI drug price revisions. A look at results by product shows that in the obstetrics and gynecology area, the uterine fibroid and endometriosis agent RELUMINA steadily grew to 10,531 million yen (up 6.3% YoY), and the dysmenorrhea agent DroEthi, which went on sale in June 2022, grew to 7,502 million yen (up 22.5% YoY), a large-scale growth continued from the previous year. Furthermore, the major products of internal medicine, the thyroid hormone agent THYRADIN and the poorly absorbable rifamycin antimicrobial agent RIFXIMA showed steady growth of 8,113 million yen (up 3.2% YoY) and 6,455 million yen (up 10.1% YoY), respectively. In the urology field, sales of the LH-RH derivative microcapsule sustained release agent LEUPRORELIN were 4,003 million yen (down 9.6% YoY).

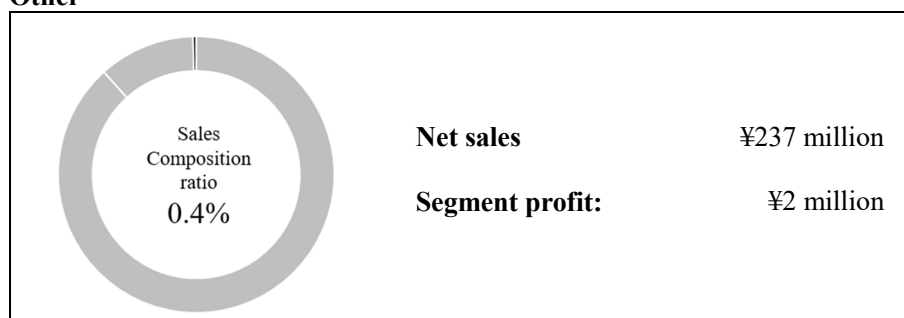
As a result of the above factors, net sales were 56,655 million yen (up 1.1% YoY) and segment profit was 6,349 million yen (down 17.0% YoY).

Animal health business



Sales of the animal health business, which sells products such as veterinary pharmaceuticals and feed additives, grew to 7,246 million yen (up 8.7% YoY), thanks to revenue growth of veterinary pharmaceuticals, in addition to a turnaround to revenue growth of feed additives products, etc. Segment profit was 300 million yen (up 53.7% YoY).

Other



Net sales for other businesses, which include clinical testing and medical devices, were 237 million yen (up 45.8% YoY) and segment profit was 2 million yen (vs. a loss of 125 million yen in the same period of the previous year).

[Status of R&D]

The Company carries out research and development including progress on drug-development research and clinical development centered on the internal medicine, obstetrics and gynecology, and urology areas that are core businesses of ASKA Pharmaceutical Co., Ltd. along with proactive deployment of out-licensing and in-licensing activities and business alliance strategies. In addition, the Company will address unmet medical needs in new areas, along with core businesses, by introducing a drug discovery fundamental technology against ion channels as a new drug-development platform.

Regarding clinical development, we obtained manufacturing and marketing approval for LF111 (drospirenone) which is under development for contraceptive indications on May 19, 2025. In addition, five clinical trials are currently underway. A Phase III clinical trial of AKP-022 (relugolix combination tablets) currently under development intended for uterine fibroids was initiated in December 2024. A Phase I clinical trial of AKP-021 (mPGES-1 inhibitor agent) started in January in 2025. In addition, a Phase I/II clinical trial of LPRI-CF113 (drospirenone) introduced with dysmenorrhea as an indication was initiated in March 2025.

A preparation for development is underway for AKP-022 (relugolix combination tablets) for endometriosis treatment, in which we entered into a license agreement with Takeda Pharmaceutical Company Limited in May 2024. In addition, multiple themes are in the nonclinical stage following efforts including strengthening a drug development platform through the introduction of ion channel drug discovery technology and securing drug development prospects through open innovation activities.

For in-licensing and alliance activities, we initiated joint research on dysmenorrhea with TechDoctor, Inc. in September 2024. In addition, in January 2025, we entered into a joint research agreement for new ion channel drug development with Veneno Technologies Co. Ltd.

Based on the above efforts, R&D expenses in the fiscal year ended March 31, 2025 were 7,031 million yen (up 2,302 million yen YoY).

(2) Status of capital investments, etc.

During the current fiscal year, the Company made capital investments totaling 3,610 million yen (including intangible assets), which consist primarily of production facilities.

(3) Status of financing

The Company procured long-term borrowings of 3,000 million yen as operating funds from a financial institution during the current fiscal year. In addition, the Company has signed an agreement on a commitment line, totaling 3,000 million yen, with a financial institution to raise working capital more efficiently; the balance of borrowings outstanding during the current fiscal year has reached 300 million yen.

(4) Status of material organizational restructuring

In February 2025, ASKA Pharmaceutical Co., Ltd., which is a subsidiary of the Company, acquired additional shares of Vietnam's Ha Tay Pharmaceutical Joint Stock Company, which was an equity-method affiliate. This made said company a consolidated subsidiary of the Company.

(5) Challenges to be addressed: Medium- to long-term management strategies

The Group will work on the following seven strategies in the medium-term management plan begun in FY2021 to become the “Total Healthcare Company with a Strong Foundation as a Specialty Pharma Company” the Group strives to be while further developing our previously built foundation.

1. To enhance corporate value by strengthening initiatives in the specialty areas, we will contribute to improving women’s quality of life by continuing to develop and sell Ob/Gyn products. Furthermore, we will promote disease-awareness activities within the thyroid field, with a focus on the thyroid hormones we first released over 100 years ago.
2. To continuously create new drugs, we will work on leveraging open innovations and global alliance activities through collaboration with our London office.
3. As part of developing overseas operations, we will further collaborative relationships with our partners, mainly in Asia.
4. To provide new value to realize “total healthcare,” we will establish business with minimally invasive testing methods within the Testing and Diagnostic business. In the field of livestock and fisheries, we will also develop and sell products that strengthen animal reproduction, immunity, and nutrition to support the health of companion animals.
5. To reinforce our financial base, we will promote operational efficiency and cost management through use of IT.
6. To continue to be a company that earns society’s trust, we will fulfill our responsibilities as a life-related company by fostering an organizational culture that emphasizes accountability and ensuring thorough compliance.
7. To appropriately use human resources to realize growth strategies, we will create an organizational system that can manage diverse career preferences through a new human resources system and expand employees’ abilities through systematic training.

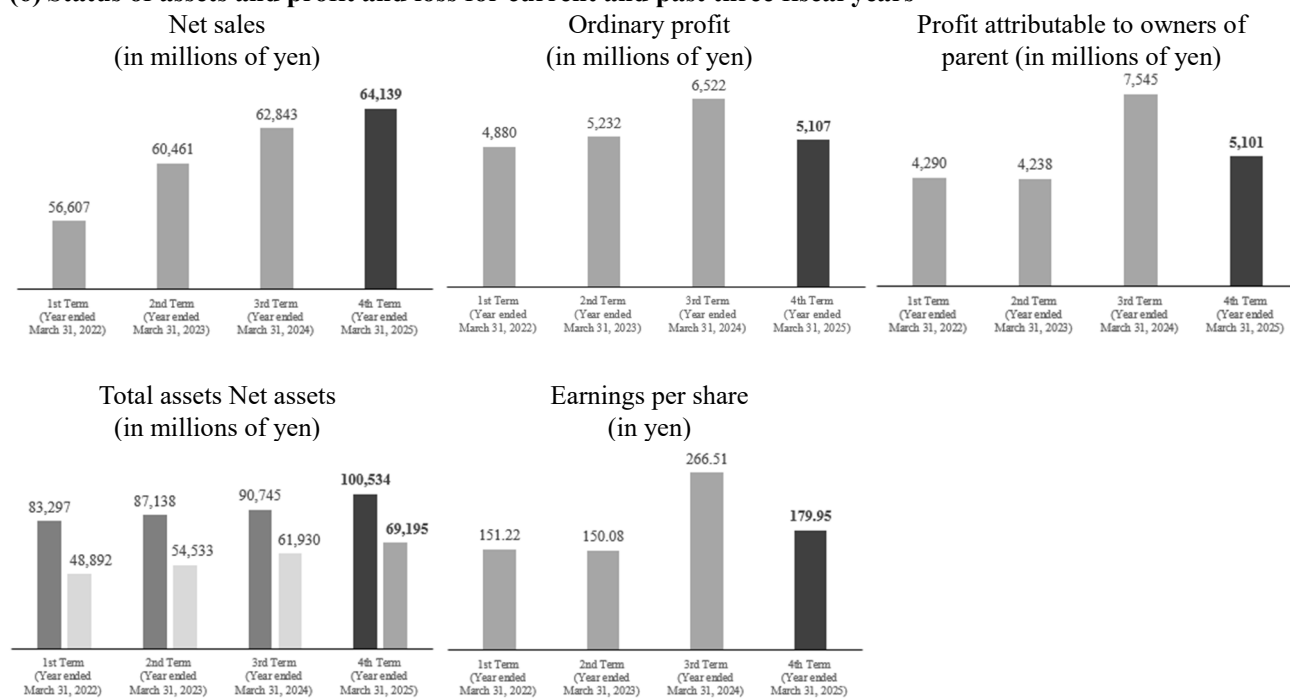
In ASKA Pharmaceutical Co., Ltd., the central force driving our pharmaceutical business, as a specific initiative, we are moving to the next stage of development with AKP-022 (relugolix combination tablets), LPRI-CF113 (drospirenone), and AKP-009 (ludaterone acetate), where clinical trials are currently underway. As for LF111 (drospirenone) of which application was filed for manufacturing and marketing, we have obtained the approval on May 19, 2025 and preparing for launching it. LF111 is the first progestin only oral contraceptive approved in Japan and we expect that this drug will offer a new option for those who desire contraception. Furthermore, for new drug discovery activities, we are moving to the next stage of drug development prospects secured through open innovation activities, in addition to introducing a drug discovery fundamental technology against ion channels. In addition, we will make efforts to expand our pipeline through out-licensing and in-licensing activities centered on the internal medicine, obstetrics and gynecology, and urology areas. In business activities of ASKA Pharmaceutical Co., Ltd., we will continue to center on the facilitation of optimized business activities that utilize webinars, etc. while ensuring high-quality information provision through establishing a system of specialty areas introduced to conduct information-provision activities with a focus on the Ob/Gyn field and other core businesses. We will further improve our presence in the Ob/Gyn field by providing information on the dysmenorrhea agent JEMINA and the iron deficiency anemia agent Riona, which are being co-promoted, and promoting products that contribute to performance, exemplified mainly by the uterine fibroid and endometriosis agent RELUMINA and the dysmenorrhea agent DroEthi. We will contribute to unmet medical needs by continuing to promote and spread RIFXIMA, indication of which is for the improvement of hyperammonemia in hepatic encephalopathy. Furthermore, the thyroid hormone agent THYRADIN, which has a domestic share of over 90%, is a drug that is indispensable in medical settings. We will maintain a stable supply system and continue to promote awareness activities as a leading company in the treatment of thyroid diseases.

Toward realizing the Total Healthcare Company, we are strengthening our activities for developing cooperation with other companies. We will aim to create new value in collaboration with startups to solve women’s health issues through a corporate venture capital fund “ASKA Innovation Fund” which was established jointly with Future Venture Capital Co., Ltd. Furthermore, ASKA Animal Health Co., Ltd., which sells veterinary medicines, feed additives, etc., continues to develop and sell products that can contribute to animal welfare and intends to further spread products for the companion animal market where growth is expected. In addition, ASKA Pharma Medical Co., Ltd., which conducts the Testing and Diagnostic business, developed and expanded into a new business with a hair hormone level measurement kit using technology that measures steroid hormones. Along with kits that measure hormone levels such as testosterone (one of male hormones) and progesterone (one of female hormones) using human hairs, we launched a new kit that measures hormone levels from cat hairs. Going forward, we will strive to realize a Total Healthcare Company by promoting activities with the entire group united.

The Company is working to solve social issues through business operations under its corporate philosophy “Contribute toward the improvement of people’s health and progress in society through the development of innovative products.” Since April 2021, it has enhanced a structure by establishing the ESG Committee, appointing a Director in charge of sustainability, and placing a specialized section in the Corporate Planning Department to operate the “ESG Promotion Meeting” and “Committee of Managers for ESG Promotion.” The Company’s initiatives have received high recognition from external bodies such as being recognized for seven consecutive years as “White 500 enterprise under Certified Health & Productivity Management Outstanding Organizations Recognition Program,” and being selected for “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting.” We will continue to aim for sustainable growth and medium- to long-term enhancement of corporate value by creating social value.

We appreciate your continued support and cooperation of our shareholders.

(6) Status of assets and profit and loss for current and past three fiscal years



(In millions of yen, unless otherwise stated)

	FY2021 (Year ended March 31, 2022)	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)	FY2024 (Year ended March 31, 2025) (Current fiscal year)
Net sales	56,607	60,461	62,843	64,139
Ordinary profit	4,880	5,232	6,522	5,107
Profit attributable to owners of parent	4,290	4,238	7,545	5,101
Earnings per share (yen)	151.22	150.08	266.51	179.95
Total assets	83,297	87,138	90,745	100,534
Net assets	48,892	54,533	61,930	69,195

(7) Information on parent company and significant subsidiaries (as of March 31, 2025)**1) Information on parent company**

Not applicable

2) Information on significant subsidiaries

Company name	Share capital (in millions of yen)	Ratio of the Company's voting rights (%)	Main lines of business
ASKA Pharmaceutical Co., Ltd.	1,197	100.0	Manufacture and sale of pharmaceuticals and healthcare business
ASKA Pharma Medical Co., Ltd.	30	100.0	Investigation business
ASKA Animal Health Co., Ltd.	100	100.0	Manufacture, sale, and import/export of veterinary medicines, feed, feed additives, etc.
Ha Tay Pharmaceutical Joint Stock Company	823,417 million VND	40.0	Manufacture, sale, and import of medical pharmaceuticals, over-the-counter drugs, health food, etc.

Note: The status of the specified wholly owned subsidiary on the last day of the current fiscal year is as follows.

Name of the specified wholly owned subsidiary	ASKA Pharmaceutical Co., Ltd.
Address of the specified wholly owned subsidiary	5-1, Shibaura 2-chome, Minato-ku, Tokyo
Book value of shares of the specified wholly owned subsidiary of the Company	¥40,063 million
Total assets of the Company	¥48,258 million

(8) Main lines of business (as of March 31, 2025)

The Group's main lines of business are as follows:

Business segment	Lines of business
Pharmaceutical business	Manufacture and sale of pharmaceuticals and healthcare business
Animal health business	Manufacture and sale of veterinary medicines
Overseas business	Manufacture, sale, and import of medical pharmaceuticals, over-the-counter drugs, health food, etc.
Other	Investigation business, and medical equipment

(9) Main offices and works (as of March 31, 2025)

The Company	Head Office	5-1, Shibaura 2-chome, Minato-ku, Tokyo
ASKA Pharmaceutical Co., Ltd.	Head Office	Minato-ku, Tokyo
	Shonan Research Center	Fujisawa City, Kanagawa Prefecture
	Iwaki Factory	Iwaki City, Fukushima Prefecture
	Sales Office	Sapporo, Tohoku (Sendai City, Miyagi Prefecture), Koriyama, Tokyo (Minato-ku, Tokyo), Yokohama, Saitama, Chiba, Kitakanto (Utsunomiya City, Tochigi Prefecture), Niigata, Matsumoto, Kanazawa, Nagoya, Shizuoka, Kyoto, Osaka, Kobe, Takamatsu, Chugoku (Hiroshima City, Hiroshima Prefecture), Fukuoka, and Kumamoto
ASKA Pharma Medical Co., Ltd.	Head Office	Fujisawa City, Kanagawa Prefecture
ASKA Animal Health Co., Ltd.	Head Office	Minato-ku, Tokyo

(10) Information on employees (as of March 31, 2025)

Information on the Corporate Group's employees

Business segment	Consolidated number of employees		Increase/decrease from the previous fiscal year-end
Pharmaceutical business	635	(104)	Increase of 8 (Increase of 3)
Animal health business	32	(8)	Decrease of 2 (Increase of 2)
Overseas business	857	(-)	Increase of 857 (Increase of -)
Other	16	(-)	Increase of 1 (Decrease of 1)
Corporate (shared)	92	(25)	Increase of 6 (Increase of 6)
Total	1,632	(137)	Increase of 870 (Increase of 10)

- Notes: 1) The number of employees shown above denotes that of full-time employees. The annual average number of part-timers and temporary employees is shown in brackets.
- 2) The increase in the overseas business is due to Ha Tay Pharmaceutical Joint Stock Company becoming a subsidiary.
- 3) The number of employees included in "Corporate (shared)" are employees belonging to management divisions that cannot be classified into specific businesses.

(11) Information on main lenders (as of March 31, 2025)

Lender	Outstanding borrowings
Development Bank of Japan Inc.	¥3,375 million

Note: Other than those above, there are syndicated loans with the total amount of 4,430 million yen.

(12) Other important information on the Corporate Group

Not applicable

2. The Company's Current Status

(1) Investor information (as of March 31, 2025)

- 1) Number of shares authorized 90,000,000 shares
- 2) Total number of shares issued 28,763,199 shares
- 3) Number of shareholders 6,587
- 4) Top 10 major shareholders

Name of shareholder	Number of shares held (thousands)	Percentage of shares held (%)
Master Trust Bank of Japan, Ltd. (trust Account)	2,950	10.40
NIPPON ACTIVE VALUE FUND PLC	2,365	8.33
Takeda Pharmaceutical Company Limited	2,204	7.77
ZERIA Pharmaceutical Co., Ltd.	1,877	6.62
MUFG Bank, Ltd.	1,100	3.87
STATE STREET BANK AND TRUST COMPANY 505103	1,096	3.86
Custody Bank of Japan, Ltd. (Trust account)	806	2.84
NAVF SELECT LLC	781	2.75
Takashi Yamaguchi	703	2.47
Kabushiki Kaisha YAMAGUCHI	579	2.04

Note: Shareholding ratio is based on the number of shares exclusive of treasury shares (397,476 shares).

5) Status of shares issued to Company executives as consideration for performance of duties in the current fiscal year

	Number of shares	Number of people to whom shares were issued
Members of the Board of Directors (excluding Members of the Board of Directors, Outside Directors)	—	—

Note: Of the shares issued to Members of the Board of Directors of the Company, the number of shares issued to the four persons serving concurrently as Members of the Board of Directors of ASKA Pharmaceutical Co., Ltd. is 13,200 shares, and the number of shares issued to the one person serving concurrently as a Member of the Board of Directors of ASKA Animal Health Co., Ltd. is 700 shares.

(2) Information on share acquisition rights, etc.

Not applicable

(3) Information on the Company's Executives**1) Information on Members of the Board of Directors and Audit & Supervisory Board Members (as of March 31, 2025)**

Position	Name	Areas of responsibility in the Company and significant concurrent position
President, Member of the Board of Directors, Representative Director	Takashi Yamaguchi	Responsible for the Entire Group Management Member of the Board of Directors, Representative Director, Chairman of the Board of ASKA Pharmaceutical Co., Ltd.
Senior Managing Member of the Board of Directors, Representative Director	Atsushi Maruo	Assistant to the President, in charge of Sustainability Member of the Board of Directors, Vice Chairman of the Board of ASKA Pharmaceutical Co., Ltd.
Senior Managing Member of the Board of Directors, Representative Director	Sohta Yamaguchi	President, Member of the Board of Directors, Representative Director of ASKA Pharmaceutical Co., Ltd.
Member of the Board of Directors, Executive Corporate Officer	Maiko Mori	Member of the Board of Directors, Executive Corporate Officer, Division Director, Quality & Safety Assurance Division of ASKA Pharmaceutical Co., Ltd.
Member of the Board of Directors, Executive Corporate Officer	Fumiyoshi Yamaguchi	President, Member of the Board of Directors, Representative Director of ASKA Animal Health Co., Ltd.
Member of the Board of Directors, Outside Director	Yasunori Yoshimura	Representative Director of YOSHIMURA BIOETHIC INSTITUTE Outside Director (Audit & Supervisory Committee Member) of Pan Pacific International Holdings Corporation Professor Emeritus of Keio University Vice President of Fukushima Medical University
Member of the Board of Directors, Outside Director	Minoru Awabayashi	CEO of M&A Strategy Advisors Co., Ltd.
Member of the Board of Directors, Outside Director	Yasuji Enokido	Representative Director and President of Soen Co., Ltd.
Member of the Board of Directors, Outside Director	Kanae Karita	Professor of Faculty of Medicine, Kyorin University Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences Member of the Food Safety Standards Council, Cabinet Office
Audit & Supervisory Board Member	Yuichiro Fukui	Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. Audit & Supervisory Board Member of ASKA Animal Health Co., Ltd.
Audit & Supervisory Board Member	Kunihiro Gunji	Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd. Audit & Supervisory Board Member of ASKA Pharma Medical Co., Ltd.

Outside Audit & Supervisory Board Member	Takao Kimura	—
Outside Audit & Supervisory Board Member	Keiko Fukuchi	Representative of Fukuchi Keiko Tax Accountant Office Outside Director (Audit and Supervisory Committee Member) of KAWADA TECHNOLOGIES, INC Outside Auditor of KAWADA INDUSTRIES, INC.

- Notes: 1) Keiko Fukuchi, Outside Audit & Supervisory Board Member, is a certified public tax accountant and has considerable knowledge of finance and accounting.
- 2) Changes in Members of the Board of Directors and Audit & Supervisory Board Members during the current fiscal year are as follows.
- (i) Outside Director Kanae Karita was appointed and assumed office at the 3rd Annual General Meeting of Shareholders held on June 25, 2024.
 - (ii) Audit & Supervisory Board Member Ikuo Kumano retired by resignation at the conclusion of the 3rd Annual General Meeting of Shareholders held on June 25, 2024.
- 3) The Company reported the designations of all of its Members of the Board of Directors, Outside Directors and Outside Audit & Supervisory Board Members as independent officers under the provisions of Tokyo Stock Exchange, Inc.

2) Overview of limited liability agreement

The Company has entered into an agreement with each of its Members of the Board of Directors, Outside Directors and Audit & Supervisory Board Members, which limits their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act up to the minimum liability amount stipulated in Article 425, paragraph (1) of the Act.

3) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Damages borne by insured persons in the performance of their duties, or expenses arising from disputes by legal action, are covered by this insurance policy.

The persons insured by the insurance policy are Members of the Board of Directors, Audit & Supervisory Board Members, and Corporate Officers of the Company and the Company's subsidiaries, and the insurance premiums for all insured persons are borne by the Company and the Company's subsidiaries.

4) Remuneration, etc. for Members of the Board of Directors and Audit & Supervisory Board Members

a) Policies on determining remuneration, etc. of directors

The Company made a resolution on the determination policy regarding remuneration, etc. for individual Members of the Board of Directors at the Board of Directors meeting held on May 17, 2021.

In addition, the Board of Directors has confirmed that the determination method for remuneration, etc. and the determined remuneration, etc. regarding remuneration, etc. for individual Members of the Board of Directors for the current fiscal year conforms with the determination policy resolved by the Board of Directors and that the findings of the Group's Remuneration Committee have been respected. They have judged that these are in accordance with the determination policy.

Policy and Procedure on Member of the Board of Directors Remuneration

- (1) The Group's Remuneration Committee deliberates on the remuneration for Members of the Board of Directors of the Company after ensuring transparency, fairness and objectivity. Design of the remuneration system and the specific amount of remuneration are determined by the Board of Directors.
- (2) Remuneration for Members of the Board of Directors excluding Members of the Board of Directors, Outside Directors shall be designed to contribute to continued increase in the corporate value. Specifically, it shall consist of base salary as well as performance-based bonus serving as short-term incentive and stock compensation system serving as medium- to long-term incentive.
- (3) In order to ensure fully functional supervision of the management, remuneration for Members of the Board of Directors, Outside Directors shall consist of base salary only, without short-term or medium- to long-term incentive.

<Policy on determining monetary remuneration not linked to performance indicator>

[Base salary]

Basic remuneration for Members of the Board of Directors shall be an annual base salary. Its amount shall be determined based on their position (rank), responsibilities and period of service. It shall be paid on a monthly basis.

<Policy on determining performance-based remuneration, etc.>

[Performance-based bonus]

Performance-based bonus for Members of the Board of Directors excluding Members of the Board of Directors, Outside Directors shall be paid at a certain time each year. The amount of bonus to be paid to Members of the Board of Directors with special titles shall be determined by multiplying the annual base salary by a bonus calculation coefficient defined for each position (rank) and a payment coefficient based on the Company's business performance (operating profit, etc.) for the previous fiscal year.

For Members of the Board of Directors who also serve as employees of the Company, incentives shall be provided by including the performance-based bonus into the bonuses provided to them as employees.

<Policy on determining non-monetary remuneration>

[Restricted stock compensation]

For purpose of providing incentives to sustainably increase the Company's corporate value, as well as for purpose of further promoting shared value between the shareholders and Members of the Board of Directors, restricted stock shall be granted at a certain time each year within the scope of the maximum amount and maximum number of shares approved at General Meeting of Shareholders. The number of shares of restricted stock to be granted to individual Members of the Board of Directors shall be determined in consideration of their position (rank), responsibilities, period of service and other factors.

<Policy on determining the proportion of each type of remuneration, etc.>

Based on an idea that it is important to work on management from medium- to long-term perspective, the proportion of base salary, performance-based bonus and restricted stock compensation shall be configured with emphasis on the level and stability of basic remuneration (base salary) with additional consideration on improvement in single-year business performance and the pursuit of shareholder interests.

The proportion of each type of remuneration for Members of the Board of Directors excluding Members of the Board of Directors, Outside Directors is not fixed because the amount of remuneration is determined according to the business performance in each fiscal year. However, the proportion of base salary, performance-based bonus and restricted stock compensation fits roughly in the following scope:

Base salary: performance-based bonus: restricted stock compensation = 55-70%: 15-30%: 10-15%

<How to determine the specifics of remuneration, etc. for individual Members of the Board of Directors>

The specific amount of remuneration for each Member of the Board of Directors shall be determined by the Board of Directors within the maximum amount of remuneration, etc. approved at the General Meeting of Shareholders, based on the report from the Group's Remuneration Committee, an advisory committee in which half of the members consists of Outside Officers, etc.

b) Total amount of remuneration, etc. for the current fiscal year

Classification	Total amount of remuneration, etc. (In millions of yen)	Total amount by type of remuneration, etc. (In millions of yen)			Number of target Officers (person)
		Base salary	Performance-based bonus	Restricted stock compensation	
Members of the Board of Directors (Outside Directors)	38 (38)	38 (38)	— (—)	— (—)	4 (4)
Outside Audit & Supervisory Board Member	50 (13)	50 (13)	— (—)	— (—)	5 (2)
Total (Outside Officers)	89 (51)	89 (51)	— (—)	— (—)	9 (6)

- Notes: 1) The amount of remuneration or the like for Members of the Board of Directors does not include the portion of employee's salary for members of the board of directors who also serve as employees of the Company.
- 2) The number of target Officers records the number of Officers paid remuneration by the Company. In addition to the above, the total amount of remuneration received from subsidiaries (ASKA Pharmaceutical Co., Ltd. and ASKA Animal Health Co., Ltd.) by five Members of the Board of Directors of the Company is 276 million yen which is a total of base salary, performance-based bonus, and restricted stock compensation.
- 3) The performance index for performance-based remuneration, etc. consists of financial indexes such as operating profit and a non-financial ESG-related index. Those results are operating profit of 5,331 million yen, net sales of 64,139 million yen, and ROE 8.0%. The reason the index was chosen is that it is important as an indicator of achievement of management goals; therefore, it was determined to be an appropriate index for performance-based remuneration. In addition, the calculation method for performance-based remuneration is as described in "a) Policies on determining remuneration, etc. of directors."
- 4) Non-monetary remuneration, etc. is Company shares, and the requirements when these are allocated are as described in "a) Policies on determining remuneration, etc. of directors." In addition, issuance for the current fiscal year is as described in "2. The Company's Current Status (1) Investor information 5) Status of shares issued to Company executives as consideration for performance of duties in the current fiscal year."
- 5) Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on remuneration for Members of the Board of Directors was set at 500 million yen per year (including 70 million yen for Members of the Board of Directors, Outside Directors and excluding the portion of employee's salary for Members of the Board of Directors who also serve as

employees of the Company). The number of Members of the Board of Directors at the end of the Extraordinary General Meeting of Shareholders was 6 (including 3 Members of the Board of Directors, Outside Directors). Separately from this remuneration, the upper limit on restricted stock compensation was set at 100 million yen per year based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021. The number of Members of the Board of Directors at the end of the Extraordinary General Meeting of Shareholders was 3 (excluding the Members of the Board of Directors, Outside Directors).

- 6) Based on the resolution of the Extraordinary General Meeting of Shareholders held on June 24, 2021, the upper limit on remuneration for Audit & Supervisory Board Members was set at 150 million yen per year. The number of Audit & Supervisory Board Members at the end of the Extraordinary General Meeting of Shareholders was 4.

5) Information relating to Outside Officers

a) Significant concurrent positions and their relationships with the Company

Classification	Name	Concurrent position
Member of the Board of Directors, Outside Director	Yasunori Yoshimura	Representative Director of YOSHIMURA BIOETHIC INSTITUTE Outside Director (Audit & Supervisory Committee Member) of Pan Pacific International Holdings Corporation Professor Emeritus of Keio University Vice President of Fukushima Medical University
	Minoru Awabayashi	CEO of M&A Strategy Advisors Co., Ltd.
	Yasuji Enokido	Representative Director and President of Soen Co., Ltd.
	Kanae Karita	Professor of Faculty of Medicine, Kyorin University Director of the Japanese Medical Science Federation Director of the Japanese Association of Medical Sciences Member of the Food Safety Standards Council, Cabinet Office
Outside Audit & Supervisory Board Member	Takao Kimura	—
	Keiko Fukuchi	Representative of Fukuchi Keiko Tax Accountant Office Outside Director (Audit and Supervisory Committee Member) of KAWADA TECHNOLOGIES, INC Outside Auditor of KAWADA INDUSTRIES, INC.

Note: There is no significant transactions or other relationships between each of the concurrent positions and the Company.

b) Main activities during the current fiscal year

Classification	Name	Attendance to:		Overview of remarks and duties conducted regarding the role expected of Member of the Board of Directors, Outside Director
		Board of Directors meeting	Board of Audit & Supervisory Board Members meeting	
Member of the Board of Directors, Outside Director	Yasunori Yoshimura	14 out of 15 (93.3%)	–	He gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from a professional and independent standpoint as a medical scientist.
	Minoru Awabayashi	15 out of 15 (100%)	–	He gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from an objective, unbiased, and wide-ranging perspective with his extensive experience of business management.
	Yasuji Enokido	15 out of 15 (100%)	–	He gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from an objective, unbiased, and wide-ranging perspective with his extensive experience of business management.
	Kanae Karita	10 out of 10 (100%)	–	She gave advice and made proposals to ensure the validity and appropriateness of the Board of Directors' decision-making from a professional and independent standpoint as a medical scientist.
Outside Audit & Supervisory Board Member	Takao Kimura	15 out of 15 (100%)	18 out of 18 (100%)	He made remarks to ensure the appropriateness of the Board of Directors' decision-making from a perspective based on his extensive experience as an executive officer responsible for pharmaceutical business development. He also discussed important matters on audits as needed and made necessary remarks in Board of Audit & Supervisory Board Members meetings.
	Keiko Fukuchi	15 out of 15 (100%)	18 out of 18 (100%)	She made remarks to ensure the appropriateness of the Board of Directors' decision-making from a perspective based on her specialized knowledge as a tax accountant. She also discussed important matters on audits as needed and made necessary remarks in Board of Audit & Supervisory Board Members meetings.

- Notes: 1) Other than the above Board of Directors meetings held, there were four written resolutions that are deemed to be Board of Directors resolutions under the provisions of Article 370 of the Companies Act and Article 25 of the Articles of Incorporation.
- 2) The attendance of Kanae Karita covers only the Board of Directors meetings held since her appointment on June 25, 2024.

(4) Status of Accounting Auditor

1) Name of accounting auditor: Seiyo Audit Corporation

2) Amount of remuneration paid or payable to the Accounting Auditor

	Amount (in millions of yen)
Remuneration payable to the Accounting Auditor for the current fiscal year	14
Total amount of money or other property benefits payable to the Accounting Auditor by the Company and its subsidiaries	36

Notes: 1) The Audit Contract between the Company and the Accounting Auditor does not separate and cannot practically separate the remuneration for audit under the Companies Act from the remuneration for audit under the Financial Instruments and Exchange Act. Accordingly, the amount of remuneration payable to the Accounting Auditor for the current fiscal year above represents the total amount of these remunerations.

2) The Audit & Supervisory Board has given an accord as to remuneration payable to the Accounting Auditor, as set forth in Article 399, paragraph (1) of the Companies Act, as a result of the review of the contents of the audit plan of the Accounting Auditor, the performance of its duties in prior fiscal years, and the basis for estimation of the remunerations, through acquisition of necessary materials and hearings from Members of the Board of Directors, related divisions/departments in the Company and the Accounting Auditor.

3) Non-audit services

Not applicable

4) Policy for determining the dismissal or non-reappointment of the accounting auditor

Apart from the dismissal of the Accounting Auditor by the Audit & Supervisory Board for reasons of a circumstance falling under any of the items of Article 340 of the Companies Act, if it is deemed basically difficult for the Accounting Auditor to properly perform their duties, a proposal for the dismissal or non-reappointment of the Accounting Auditor shall be submitted to a General Meeting of Shareholders, upon such decision of the Audit & Supervisory Board.

5) Summary of contents of liability limitation agreements

Not applicable

(5) Basic Policy on Control over the Company

The Company has not implemented any particular basic policy that governs who will decide its financial and business policies now.

Note: The amounts and the number of shares described in this Business Report are rounded down to the nearest whole unit, while percentages are rounded off. The shareholding ratios of major shareholders are rounded down to the second decimal place.

Consolidated Financial Statements

Consolidated Balance Sheet As of March 31, 2025

(Unit: In millions of yen)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets:	58,047	Current liabilities:	22,879
Cash and deposits	10,603	Accounts payable - trade	6,411
Accounts receivable - trade	15,184	Electronically recorded obligations - operating	2,735
Securities	555	Short-term borrowings	2,521
Merchandise and finished goods	14,757	Current portion of long-term borrowings	1,940
Work in process	544	Accounts payable - other	6,194
Raw materials and supplies	11,032	Income taxes payable	173
Other	5,463	Provision for bonuses	1,210
Allowance for doubtful accounts	(94)	Provision for bonuses for directors	73
Non-current assets:	42,487	Other	1,617
Property, plant and equipment	18,709	Non-current liabilities:	8,459
Buildings and structures	5,097	Long-term borrowings	6,441
Machinery, equipment and vehicles	2,121	Retirement benefit liability	206
Land	4,255	Other	1,811
Other	7,234	Total liabilities	31,339
Intangible assets	6,993	Net assets	
Goodwill	4,361	Shareholders' equity:	60,039
Distribution rights	1,652	Share capital	1,197
Other	979	Retained earnings	59,545
Investments and other assets:	16,784	Treasury shares	(704)
Investment securities	12,327	Accumulated other comprehensive income	5,271
Deferred tax assets	2,312	Valuation difference on available-for-sale securities	4,853
Other	2,162	Remeasurements of defined benefit plans	417
Allowance for doubtful accounts	(17)	Non-controlling interests	3,885
		Total net assets	69,195
Total assets	100,534	Total liabilities and net assets	100,534

(Note) Amounts less than one million yen have been rounded down.

Consolidated Statement of Income
(From April 1, 2024 to March 31, 2025)

(Unit: In millions of yen)

Account title	Amount	
Net sales		64,139
Cost of sales		32,803
Gross profit		31,335
Selling, general and administrative expenses		26,003
Operating profit		5,331
Non-operating income:		
Interest and dividend income	293	
Other	105	398
Non-operating expenses:		
Interest expenses	51	
Foreign exchange losses	123	
Loss on disposal of non-current assets	106	
Expenses of inactive non-current assets	166	
Other	174	622
Ordinary profit		5,107
Extraordinary income:		
Gain on sale of investment securities	127	
Subsidiary-related profit and loss	1,257	1,384
Extraordinary losses:		
Impairment loss	300	300
Profit before income taxes		6,192
Income taxes - current	750	
Income taxes - deferred	341	1,091
Profit		5,101
Profit attributable to owners of parent		5,101

(Note) Amounts less than one million yen have been rounded down.

Consolidated Statement of Changes in Equity
(From April 1, 2024 to March 31, 2025)

(Unit: In millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,197	1,848	56,372	(3,287)	56,130	4,790	424	584	5,799	–	61,930
Changes during period											
Dividends of surplus			(1,275)		(1,275)						(1,275)
Profit attributable to owners of parent			5,101		5,101						5,101
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		35		48	84						84
Cancellation of treasury shares		(2,535)		2,535	–						–
Transfer from retained earnings to capital surplus		651	(651)		–						–
Changes due to a decrease in entities accounted for using equity method							(650)		(650)		(650)
Increase in consolidated subsidiaries - non-controlling interests										3,717	3,717
Net changes in items other than shareholders' equity						62	225	(167)	121	167	289
Total changes during period	–	(1,848)	3,173	2,583	3,908	62	(424)	(167)	(528)	3,885	7,265
Balance at end of current period	1,197	–	59,545	(704)	60,039	4,853	–	417	5,271	3,885	69,195

(Note) Amounts less than one million yen have been rounded down.

Non-consolidated Financial Statements

Balance Sheet As of March 31, 2025

(Unit: In millions of yen)

Account title	Amount	Account title	Amount
Assets		Liabilities	
Current assets:	7,580	Current liabilities:	907
Cash and deposits	5,429	Short-term borrowings	300
Other	2,150	Current portion of long-term borrowings	300
Non-current assets:	40,678	Accounts payable - other	91
Intangible assets	0	Income taxes payable	43
Investments and other assets:	40,677	Provision for bonuses	121
Investment securities	299	Other	52
Shares of subsidiaries and associates	40,319	Non-current liabilities:	2,700
Deferred tax assets	57	Long-term borrowings	2,700
		Total liabilities	3,607
		Net assets	
		Shareholders' equity:	44,650
		Share capital	1,197
		Capital surplus:	39,565
		Legal capital surplus	844
		Other capital surplus	38,720
		Retained earnings:	4,447
		Other retained earnings	4,447
		Retained earnings brought forward	4,447
		Treasury shares	(559)
		Total net assets	44,650
Total assets	48,258	Total liabilities and net assets	48,258

(Note) Amounts less than one million yen have been rounded down.

Statement of Income
(From April 1, 2024 to March 31, 2025)

(Unit: In millions of yen)

Account title	Amount
Operating revenue	4,509
Operating expenses	1,321
Operating profit	3,188
Non-operating income:	
Interest and dividend income	7
Other	4
	12
Non-operating expenses:	
Interest expenses	5
Commitment fees	2
Other	1
	9
Ordinary profit	3,191
Profit before income taxes	3,191
Income taxes - current	29
Income taxes - deferred	(1)
Profit	3,163

(Note) Amounts less than one million yen have been rounded down.

Statement of Changes in Equity
(From April 1, 2024 to March 31, 2025)

(Unit: In millions of yen)

	Shareholders' equity:					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at beginning of current period	1,197	844	41,220	42,065	2,559	2,559
Changes during period						
Dividends of surplus					(1,275)	(1,275)
Profit					3,163	3,163
Purchase of treasury shares						
Disposal of treasury shares			35	35		
Cancellation of treasury shares			(2,535)	(2,535)		
Total changes during period	—	—	(2,500)	(2,500)	1,887	1,887
Balance at end of current period	1,197	844	38,720	39,565	4,447	4,447

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of current period	(3,143)	42,680	42,680
Changes during period			
Dividends of surplus		(1,275)	(1,275)
Profit		3,163	3,163
Purchase of treasury shares	(0)	(0)	(0)
Disposal of treasury shares	48	84	84
Cancellation of treasury shares	2,535	—	—
Total changes during period	2,583	1,970	1,970
Balance at end of current period	(559)	44,650	44,650

(Note) Amounts less than one million yen have been rounded down.

Auditor's Report

Accounting Auditor's Report on Consolidated Financial Statements

English Translation

INDEPENDENT AUDITOR'S REPORT

May 23, 2025

To the Board of Directors of
ASKA Pharmaceutical Holdings Co., Ltd.

Seiyo Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant: Toshiya Nakaichi
Designated and Engagement Partner
Certified Public Accountant: Kenichiro Makita

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of ASKA Pharmaceutical Holdings Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of March 31, 2025 and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Written Matter

Other written matter is Business Reports and supplementary schedules. Creating and disclosing other written matter is the responsibility of management. In addition, it is the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to supervise the execution of duties of the Members of the Board of Directors in the establishment and application of the reporting process for other written matter.

Other written matter is not included in the subject of our opinion on non-consolidated financial statements, and we cannot express an opinion on other written matter.

Our responsibility in the audit of non-consolidated financial statements is to read other written matter and, in the process of reading other written matter, consider whether there are major discrepancies between other written matter and non-consolidated financial statements or the knowledge gained in the process of our audit. Additionally, it is our responsibility to pay attention to whether there are signs of major errors in other written matter, besides these major discrepancies.

If, based on the work we have conducted, we determine that there are major errors in other written matter, we are required to report that fact.

We have no items to report regarding other written matter.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material

misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Members of the Board of Directors' execution of the duties relating to the design and operation effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Also, we design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence and, if measures for removing impediments have been taken or if safeguards have been applied for mitigating impediments to the extent acceptable, the contents of such measures or safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Accounting Auditor's Report on Non-consolidated Financial Statements

English Translation

INDEPENDENT AUDITOR'S REPORT

May 23, 2025

To the Board of Directors of
ASKA Pharmaceutical Holdings Co., Ltd.

Seiyo Audit Corporation
Minato-ku, Tokyo
Designated and Engagement Partner
Certified Public Accountant: Toshiya Nakaichi
Designated and Engagement Partner
Certified Public Accountant: Kenichiro Makita

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of ASKA Pharmaceutical Holdings Co., Ltd. (the "Company"), namely the non-consolidated balance sheet as of March 31, 2025, the non-consolidated statement of income, and the non-consolidated statement of changes in equity for the 4th fiscal year from April 1, 2024 to March 31, 2025, and the related notes, and the supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements, present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements," section of our report. We are independent of the Company in accordance with the provision of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Written Matter

Other written matter is Business Reports and supplementary schedules. Creating and disclosing other written matter is the responsibility of management. In addition, it is the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board to supervise the execution of duties of the Members of the Board of Directors in the establishment and application of the reporting process for other written matter.

Other written matter is not included in the subject of our opinion on non-consolidated financial statements, and we cannot express an opinion on other written matter.

Our responsibility in the audit of non-consolidated financial statements is to read other written matter and, in the process of reading other written matter, consider whether there are major discrepancies between other written matter and non-consolidated financial statements or the knowledge gained in the process of our audit. Additionally, it is our responsibility to pay attention to whether there are signs of major errors in other written matter, besides these major discrepancies.

If, based on the work we have conducted, we determine that there are major errors in other written matter, we are required to report that fact.

We have no items to report regarding other written matter.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with

accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Members of the Board of Directors' execution of the duties relating to the design and operation effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. Also, we design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence and, if measures for removing impediments have been taken or if safeguards have been applied for mitigating impediments to the extent acceptable, the contents of such measures or safeguards.

Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

English Translation

AUDIT REPORT

The Audit & Supervisory Board has prepared this report after deliberations on the members of the board of directors' performance of their duties during the 4th fiscal year from April 1, 2024 to March 31, 2025 based on audit reports prepared by each member of the Audit & Supervisory Board, and hereby reports as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established the audit policy and distribution of duties, and received reports from each audit & supervisory board member on their progress of audit and audit results. In addition, it received reports on the members of the board of directors' performance of their duties from the directors and the accounting auditors and sought clarification when necessary.
- (2) In accordance with the audit policy and the distribution of duties, each audit & supervisory board member endeavored to effectively communicate with the members of the board of directors, the internal audit division, and other employees to collect information and create a favorable environment for audit while following audit standards established by the Audit & Supervisory Board. In addition, each audit & supervisory board member conducted audit by adopting the following methods:
 - 1) Each audit & supervisory board member attended the Board of Directors meetings and other important meetings, received reports on the members of the board of directors' performance of their duties from the members of the board of directors and other employees and sought clarification when necessary, examined important documents supporting decisions, and inspected the status of business operations and assets at the head office and other major business locations.
In addition, each audit & supervisory board member endeavored to effectively communicate with the members of the board of directors and audit & supervisory board members of the subsidiaries, exchanged information with them, and received reports on their business operations as necessary.
 - 2) Each audit & supervisory board member regularly received reports from the members of the board of directors and other employees and sought clarification when necessary on the operation of the internal control system, which was designed and established based on the Board of Directors resolutions in accordance with Article 100, paragraph (1) and (3) of the Regulation for Enforcement of the Companies Act as essential to ensure that the members of the board of directors fulfil their duties described in the business report in compliance with laws and regulations and the Company's Articles of Incorporation and to secure proper business operations of the business group, consisting of the Company and its subsidiaries. For internal control associated with the Company's financial reporting, each audit & supervisory board member received reports from the members of the board of directors and Seiyō Audit Corporation on the evaluation of the relevant internal control as well as the status of the accounting audit and sought clarification when necessary.
 - 3) Each audit & supervisory board member watched and verified whether the accounting auditors maintained their independence and properly performed audit. Each audit & supervisory board member also received reports from them on the status of their audit and sought clarification when necessary. Moreover, each audit & supervisory board member received notification from the accounting auditors that they had established a framework to ensure proper fulfilment of their duties, as prescribed in those items in Article 131 of the Regulation on Corporate Accounting, in accordance with the Quality Control Standards for Audit, introduced by the Business Accounting Council; each audit & supervisory board member sought clarification when necessary.

Based on the above methods, the Audit & Supervisory Board has examined the Business Reports on the relevant fiscal year and the supplementary schedules, the non-consolidated financial statements (the balance sheet, statement of income, statement of changes in equity and related notes) and the related supplementary schedules as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and related notes).

2. Results of Audit

(1) Results of Audit of Business Report and Other Documents

- 1) We acknowledge that the business report and the supplementary schedules properly present the status of the Company in accordance with the applicable laws and regulations and the Company's Articles of Incorporation.
- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Company's Articles of Incorporation was found with respect to the members of the board of directors' performance of their duties.
- 3) We acknowledge that the contents of the Board of Directors' resolutions concerning the internal control system are adequate. We did not discover any matter to be pointed out with respect to the members of the board of directors' performance of their duties and the contents of the business report that are associated with the internal control system including financial reporting-related internal control.

(2) Results of Audit of Non-consolidated Financial Statements and other Supplementary Schedules

We acknowledge that the methods and results of audit conducted by the accounting auditor, Seiyo Audit Corporation, are adequate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit conducted by the accounting auditor, Seiyo Audit Corporation, are adequate.

May 26, 2025

ASKA Pharmaceutical Holdings Co., Ltd.,
Audit & Supervisory Board

Audit & Supervisory Board Member	Yuichiro Fukui (Seal)
Audit & Supervisory Board Member	Kunihiro Gunji (Seal)
Outside Audit & Supervisory Board Member	Takao Kimura (Seal)
Outside Audit & Supervisory Board Member	Keiko Fukuchi (Seal)

Note: The audit report is not an audit of the English translation of the convocation notice itself; it is an English translation of the entire audit report produced by auditing the convocation notice prepared in Japanese.
