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To whom it may concern

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Continuation of the Policy on Large-Scale Share Acquisition (Takeover Response Policy)

At the 84th Ordinary General Meeting of Shareholders held on June 29, 2022, the Company obtained the approval of its shareholders for the “Policy on Large-Scale Share Acquisition (Anti-takeover Measures)” (the “Former Policy”), and determined that the Former Policy would remain in effect until the conclusion of the Company’s Ordinary General Meeting of Shareholders scheduled to be held in June 2025 (this “Ordinary General Meeting of Shareholders”). The Company hereby announces that, upon the expiration of such effective period, and the Company’s Board of Directors (at its meeting held today) determined the following policy on large-scale acquisition of the Company’s shares (Takeover Response Policy) (the “Policy”) maintaining the basic content of the Former Policy, subject to the approval of shareholders at this Ordinary General Meeting of Shareholders. In determining the Policy, necessary changes have been made, such as: (i) changes in definitions to clarify the actions subject to the Policy (Large-Scale Acquisitions); (ii) expansion of the scope of information (Large-Scale Acquisition Information) that must be submitted by persons who conduct or intend to conduct Large-Scale Acquisitions, for evaluation, consideration, etc. by the Board of Directors; (iii) addition of a description regarding the exercise of voting rights at general meetings of shareholders when confirming the intent of shareholders regarding the implementation of countermeasures against a Large-Scale Acquisition; and (iv) elaboration of the outline of cases in which the Company will implement an allotment of stock acquisition rights without contribution as a countermeasure (Appendix 4).

In addition, all of the Company's Audit & Supervisory Board Members, including the three Outside Audit & Supervisory Board Members, have expressed their opinion in favor of approving the continuation of the Policy

maintaining the basic content of the Former Policy, provided that the specific operation of the Policy will be properly implemented.

In addition, we would like to note that, as of today, the Company has not received any notice, approach, proposal, etc. concerning any Large-Scale Acquisition, etc.

I. Basic Policy regarding the conduct of the persons controlling the Company's financial and business policy decisions (the "Basic Policy")

The Company believes that the persons who control the Company's financial and business policy-making have a sufficient understanding of the following: (i) the technical expertise, experience, and know-how in research and development, manufacturing, sales, and other fields that the Company and its group (the "Group") have accumulated since its founding in 1913, as well as the employees who are responsible for these fields, the relationships of trust the Company and its Group have built with business partners, customers, employees, local communities, and other stakeholders, the ability to supply high-quality pharmaceutical products, etc., a sound financial position, and the Company's various other sources of corporate value; and (ii), based on a long-term vision, the critical nature of ongoing and stable research and development of pharmaceutical products, etc., the manufacture and sale of high-quality pharmaceutical products, etc., carrying out and promoting the provision and management of information on their proper use, and other unique business characteristics of the Company and the Group. The Company believes that it is desirable to have a person who will ensure and enhance the Company's corporate value and the common interests of shareholders over the medium- to long-term through the formulation and implementation of appropriate management policies and business plans, etc., based on (i) and (ii) above.

However, the Company believes that the nature of those who control the Company, including whether to accept an acquisition involving a transfer of control of the Company, should ultimately be determined by the Company's shareholders. In addition, for the shareholders to make an appropriate decision as to whether to accept such acquisition, the Company believes it essential that sufficient information be provided, including not only information provided unilaterally by such acquirer but also information provided by the Board of Directors, which is currently responsible for the Company's management, and their assessment and opinion, etc. regarding such acquisition.

On the other hand, among such acquisitions, there are those that may significantly damage the Company's corporate value and the common interests of shareholders, such as the possibility that shareholders would be coerced to sell their shares, or that do not provide sufficient time and information for shareholders to consider whether to accept the acquisition, and for the Board of Directors to assess and consider the acquisition, and if necessary, to negotiate with the acquirer to improve conditions and present alternative proposals.

The Company believes that any person who conducts such an acquisition or any similar action is inappropriate as a person who controls the Company's financial and business policy-making.

II. Special efforts contributing to the realization of the Company's Basic Policy

1. The Medium-term Management Plan, etc.

Since our founding in 1913, we have upheld our company motto of “Farsighted, Innovative Research” as we have striven to become a corporate group of life and healthcare businesses, focused on researching and developing original pharmaceutical products. In order to enhance our corporate value, it is essential for us to adopt a long-term perspective as we continuously and stably carry out and promote the research and development of pharmaceutical products, manufacture and sale of high-quality pharmaceutical products, and provision and management of information on their proper use, etc. It is imperative that we properly maintain the expertise, experience, and know-how that we have accumulated since our founding, as well as the relationships of trust we have built with our business partners, customers, employees, local communities, and other stakeholders, both in Japan and overseas.

Announced on May 12, 2025, our FY2025 - 2027 Medium-term Management Plan positions the current period as the “three years to accelerate growth strategy” with the three key themes of “strengthening the profitability of core businesses,” “continued investment in growth businesses,” and “strengthening the management foundation to support growth.” For details on this medium-term management plan, visit our website.

We also consider it an important management issue to continuously strive to enhance our corporate value by developing our business and to return an appropriate amount of profit to our shareholders. We determine the amount of dividends based on the Company’s basic policy to sustain stable dividend distribution while building adequate internal reserves for future business expansion, also recognizing the importance of return of profits according to revenue. We will make effective use of our internal reserves for research and development, capital investment, and corporate alliances. Furthermore, with regard to the acquisition of treasury shares, we have a system that enables us to implement such acquisition by resolution of the Board of Directors in order to respond flexibly to changes in the business environment.

2. Enhancing corporate governance and ensuring compliance

The Company strives to increase the Group’s corporate value by placing the fulfillment of corporate governance and the reinforcement of compliance at the axis of Group management, to better respond to our stakeholders’ trust and expectations. As part of the Group’s policy on reinforcing corporate governance, important management decisions are discussed thoroughly by the Management Policy Meeting, if necessary, and are then made through discussion by the Board of Executive Managing Officers and the Board of Group Management, both of which meet on a weekly basis. The Company’s Board of Directors includes Outside Directors, and the executive officer system has also been introduced to clearly separate the functions of the Board of Directors into management decision-making and the supervision of business operations so as to expedite management decision-making and business operations. Furthermore, in order to ensure thorough compliance, the Company has developed a compliance system within the Group, including the establishment of

the Code of Conduct of Mochida Pharmaceutical Group, and to embody the spirit of such Code of Conduct, the Company (i) holds regular meetings of the Ethics and Compliance Committee, which is chaired by the President of the Company and includes the Compliance Officer (the officer in charge of corporate ethics or the supervisor for corporate ethics) and outside experts and carries out internal checks and educational activities, (ii) has established the Ethics and Compliance Committee Working Group which is chaired by the Compliance Officer and includes general managers of operations and presidents of subsidiaries, etc., (iii) has established the Corporate Ethics & Compliance office and (iv) conducts the regular ethics training for executives and employees of the Group. The Company will continue to ensure thorough compliance in the future and, if necessary, strive to respond quickly to various environmental changes by seeking appropriate advice from lawyers, certified public accountants, and others. Moreover, regarding the challenges surrounding sustainability, the Company will further deepen its discussions within the Sustainability Committee (an advisory body to the Representative Director) established to promote sustainability activities across the Group.

III. Efforts to Prevent the Decisions on the Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person in Light of the Company's Basic Policies (Policy on Large-Scale Acquisitions of the Company's shares) (the Policy)

1. Purpose of the Policy

Although the Company currently has good relationships with its major shareholders (see Appendix 1) and its stable shareholder ratio and other indicators are relatively high, the Company recognizes that these situations and indicators may vary and that under the current laws and regulations, it cannot be denied that a large-scale acquisition would significantly damage the Company's corporate value and the common interests of its shareholders. Based on this recognition, the Company decided on the Policy as a measure to prevent the Company's financial and business policy-making from being controlled by persons deemed inappropriate in light of the Basic Policy above. The Board of Directors has resolved to introduce the following rules concerning Large-Scale Acquisition (the "Large-Scale Acquisition Rules") in response to actions for the Large-Scale Acquisition prescribed in 3 (1) below, so that the Company can provide shareholders with necessary and sufficient information for them to make appropriate decisions as to whether to accept a Large-Scale Acquisition, and can ensure the Company's ability to negotiate with the Large-Scale Acquirer.

2. Use of a Special Committee to ensure rational and fair decisions by the Board of Directors

(1) Establishment of the Special Committee

Concerning whether the series of procedures of the Large Scale Acquisition had been complied with the Large Scale Acquisition Rules, and whether to trigger measures (the "Countermeasures") permitted by the Companies Act, other laws and regulations and the Company's Articles of Incorporation, such as issuance of shares or stock acquisition rights, gratis allotment of shares or stock acquisition rights, on account that a Large-

Scale Acquisition would significantly damage the Company's corporate value and the common interests of shareholders, even if they had complied with Large-Scale Acquisition Rules, the Company has established the Special Committee in accordance with the Special Committee Rules outlined in Appendix 2, in order to ensure rational and fair decisions by the Board of Directors. The Special Committee is comprised of Outside Directors and Outside Audit & Supervisory Board Members, who are independent of the management team that conducts business execution. The career summaries of the two Outside Directors and one Outside Audit & Supervisory Board Member designated as the initial members of the Special Committee are as stated in Appendix 3.

(2) Consultation with the Special Committee and esteem for the recommendations of the Special Committee

Prior to that the Board of Directors implements the Countermeasures in accordance with the Policy, in order to ensure that its judgement is reasonable and fair, the Board of Directors shall consult with the Special Committee regarding the appropriateness of the Countermeasures, and the Special Committee shall make a recommendation regarding the appropriateness of the Countermeasures after sufficiently examining whether the Large-Scale Acquisition Rules are being adhered to, and the necessity and reasonableness of the Countermeasures. In order to determine whether to implement the Countermeasures on the grounds that the Large-Scale Acquisition would materially damage the Company's corporate value and the common interests of shareholders even if the Large-Scale Acquirer is compliant with the Large-Scale Acquisition Rules, if the Special Committee deems it appropriate, the Special Committee may recommend that the Board of Directors submit a proposal for such Countermeasures at a General Meeting of Shareholders to confirm the intent of the shareholders. A summary of the recommendations of the Special Committee shall be disclosed to shareholders in a timely and appropriate manner.

In deciding whether to implement the Countermeasures, the Board of Directors shall, to the maximum extent possible, respect the recommendation of the Special Committee.

3. Details of the Large-Scale Acquisition Rules

(1) Large-Scale Acquisitions that are subject to the Large-Scale Acquisition Rules

The Large-Scale Acquisition Rules apply if any of the following occurs or threatens to occur: the purchase of the share certificates, etc. of the Company, other acquisition actions, or any other similar actions which fall or may fall under items (i) to (iii) below (excluding the acquiring action to which the Board of Directors of the Company has agreed, and irrespective of any specific acquiring method, such as market trading and tender offers) ("Large-Scale Acquisition"). The party that conducts or intends to conduct a Large-Scale Acquisition ("Large-Scale Acquirer") should understand in advance that they must follow the Large-Scale Acquisition Rules.

- (i) Acquisition of the share certificates, etc. of the Company (Note 3) and other acquisition actions (Note 4) intended to increase the voting rights ratio (Note 2) of a specific shareholder group (Note 1) to 20% or

higher

- (ii) Purchase of the share certificates, etc. of the Company and other acquisition resulting in a 20% or higher voting rights ratio of a specific shareholder group
- (iii) Notwithstanding whether any of the actions prescribed in (i) or (ii) above has been conducted, actions that a specific shareholder group conducts with another shareholder of the Company (including the case of more than two other shareholders; the same shall apply hereinafter in (iii)) which result in: agreements or other actions that, as a result of the abovementioned actions, lead another shareholder to become a joint holder of the specific shareholder group; or actions that lead to establishing a relationship (Note 5) in which either the specific shareholder group or another shareholder substantially controls the other or in which they act jointly or in cooperation with one another. (However, this shall apply only to the case where the voting rights ratio of the specific shareholder group and another shareholder totals 20% or higher concerning the share certificates, etc. of the Company.) (Note 6) (Such other shareholders engaging in such action are hereinafter referred to as “Joint and Concerted Actors”)

(Note 1) A specific shareholder group means (i) a holder (meaning a holder as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, and includes those included in a holder pursuant to the same Article, Paragraph 3) of the share certificates, etc. (meaning share certificates, etc. defined in Article 27-23, Paragraph 1 of the same Act) of the Company and its joint holder (meaning a joint holder as defined in Article 27-23, Paragraph 5 of the same Act, and includes those regarded as a joint holder pursuant to the same Article, Paragraph 6 of the same Act; the same shall apply hereafter), as well as (ii) a person or entity that conducts an acquisition, etc. (meaning an acquisition, etc. as defined in Article 27-2, Paragraph 1 of the same Act, and includes those conducted in a financial instruments exchange market) of the share certificates, etc. (meaning share certificates, etc. as defined in Article 27-2, Paragraph 1 of the same Act) of the Company and its special related parties (special related parties as defined in Article 27-2, Paragraph 7 of the same Act; the same shall apply hereafter), as well as (iii) a person related to a person in (i) or (ii) above (such as (a) an investment bank, securities firm or other financial institution that has a financial advisory agreement with such a person or other person that shares a substantial interest with such a person, (b) a tender offer agent, attorney, accountant, tax accountant or other advisor of such a person, or (c) a person reasonably recognized by the Company's Board of Directors as substantially controlled by such a person or as acting in concert or coordination with such a person (whether (c) applies shall be determined mutatis mutandis on basis of the criteria for determining the applicability of joint and concerted actors as set forth in (Note 5); the same shall apply hereafter)).

(Note 2) A voting rights ratio refers to (i) the holding ratio of share certificates, etc. (as defined in Article 27-23, Paragraph 4 of the same Act) of the relevant holder in the case the specific group of shareholders is (i) of Note 1 (in this case, the number of share certificates, etc. held by the joint holder(s) (the number of share certificates, etc. held as set forth in the same Paragraph) shall also be added) or (ii) if the specific group of

shareholders is (ii) of (Note 1), the total of the holding ratio of share certificates, etc. (meaning the holding ratio of share certificates, etc. defined in Article 27-2, Paragraph 8 of the same Act) of the relevant acquirer and the relevant special related parties. In calculating the holding ratio of each share certificate, etc.. For the purpose of calculating the holding ratio of each share certificates, etc., (a) a joint holder(s) or a person having a special relationship with the relevant holder in (i) of (Note 1) or the relevant acquirer in (ii) of (Note 1) (collectively, hereinafter in this Note 2, the “Initial Shareholder”) and (b) a related parties of (i) the Initial Shareholder or (ii) a joint holder or a person having a special relationship with the Initial Shareholder shall be deemed as a joint holder or relevant special related parties of the Initial Shareholders (the same shall apply hereinafter). The total number of voting rights (as defined in Article 27-2, Paragraph 8 of the same Act) and the total number of shares issued (as defined in Article 27-23, Paragraph 4 of the same Act) can be referenced in the most recently filed securities reports, interim reports, and treasury stock purchase status reports.

(Note 3) Share certificates, etc. refer to the share certificates, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act or Article 27-23, Paragraph 1 of the same Act.

(Note 4) (i) If a specific shareholder group falls under (i) of (Note 1) above, purchases and other acquisition actions shall include having the right to request delivery of share certificates, etc. based on purchases or other sale agreements and conducting any of the transactions prescribed in Article 14-6 of the Order for Enforcement of the Financial Instruments and Exchange Act. (ii) If the specific shareholder group falls under (ii) of (Note 1), purchases and other acquisition actions shall include purchases or other acceptance of transfer for value, and other actions equivalent to the acceptance of transfer for value as prescribed in Article 6, Paragraph 3 of the same Order.

(Note 5) The judgement of whether “a relationship in which either the specific shareholder group or another shareholder substantially controls the other or in which they act jointly or in cooperation with one another” is established shall be made based on whether any new relationship has been formed, such as a relationship arising from investment, business alliances, transactions or agreements, human relationships such as officers concurrently holding positions of both parties or familial relationships, funding, credit granting, substantial interest in the share certificates, etc. of the Company through derivatives and loaned shares etc.; the status of transactions of the Company’s shares (including the number, timing and terms of shares acquired), the status of exercise of voting rights and other rights to common benefits, the status of similarity or concurrence of claims, etc. regarding the Company’s business and management policies, how much direct or indirect impact the specific shareholder group and another shareholder have on the Company, the status of the specific shareholder group or another shareholder’s acquisition of shares, etc. of another publicly traded company, the status of exercise of voting rights or other rights to common benefits attached to those shares, and other direct or indirect facts, etc., that indicate the existence of communication of intent between the specific shareholder group or another shareholder.

(Note 6) The judgement of whether any of the actions prescribed in (iii) has been conducted shall be reasonably made by the Board of Directors based on the recommendation of any of the Company's independent committees. The Board of Directors may ask the shareholders of the Company to provide information to the extent necessary for it to judge whether the requirement stated in (iii) above is met.

(2) Submission of Letter of Intent

Prior to the execution of a Large-Scale Acquisition, the Large-Scale Acquirer shall first submit to the Company a "Letter of Intent" to the effect that the Large-Scale Acquirer will comply with the Large-Scale Acquisition Rules. The Letter of Intent must include the Large-Scale Acquirer's (i) name and address, (ii) governing law of incorporation, (iii) name of representative, (iv) contact information in Japan, (v) overview of the proposed Large-Scale Acquisition, and (vi) pledge to comply with the Large-Scale Acquisition Rules.

(3) Submission of Large-Scale Acquisition Information

Within 10 business days after receipt of the Letter of Intent in (2) above, the Company will deliver to the Large-Scale Acquirer a list of the necessary and sufficient information (the "Large-Scale Acquisition Information") that it must submit for the shareholders' decision and the Board of Directors' assessment and consideration. If the information submitted is considered insufficient as Large-Scale Acquisition Information, the Company may request the Large-Scale Acquirer to provide additional information. The specific contents of the Large-Scale Acquisition Information will vary depending on the attributes of the Large-Scale Acquirer and the details of the Large-Scale Acquisition, but some of the general items are as follows. The fact that a Large-Scale Acquisition has been proposed, as well as the Large-Scale Acquisition Information, will be promptly submitted to the Special Committee. If the Board of Directors deems it necessary to disclose such information to shareholders in order for them to decide or to comply with applicable laws, regulations, financial instruments exchange rules, etc., the Company will disclose all or part of such information. The Large-Scale Acquisition Information, the Letter of Intent, and other documents and information to be submitted in accordance with the Policy must be submitted in Japanese.

- (i) Details (including names, business field, background or history, capital structure, financial situation, officers' biographies, etc., as well as the history of past acquisitions and the results thereof, experience in the same type of business as that of the Company and the Group, the existence or non-existence of past violations of laws and regulations, and the details of such violations, and whether the definition of "foreign investor" as given in Article 26, Paragraph 1 of the Foreign Exchange and Foreign Trade Act applies to the Large-Scale Acquirer, and the information upon which this determination is based) of the Large-Scale Acquirer and its group (including joint holders, persons having a special relationship, and, if a fund, partners and other constituent members).
- (ii) Purpose, method, and details of the Large-Scale Acquisition (including type and amount of consideration for the acquisition, timeframe of the acquisition, the structure of related transactions, the legitimacy of the acquisition method, the feasibility of the Large-Scale Acquisition, and if there is a possibility that the Company's share certificates, etc. will be delisted after completion of the acquisition,

the reason for such delisting, etc.)

- (iii) Information on the existence of any transactions relating to the Company's share certificates, etc. conducted by the Large-Scale Acquirer during the past 60 days and whether there are any contracts, arrangements or other agreements entered into by the Large-Scale Acquirer relating to the Company's share certificates, etc. (including loan agreements, security agreements, repurchase agreements, sales and purchase agreements and other material contracts, arrangements or other agreements relating to share certificates, etc. already owned by the Large-Scale Acquirer or to be acquired by the Large-Scale Acquirer as a result of the Large-Scale Acquisition) (regardless of whether such contracts, arrangements or other agreements are enforceable). If any of these exist, then the details thereof.
- (iv) Whether the Large-Scale Acquirer communicates with a third party for conducting the Large-Scale Acquisition (including communication of intent to make a "material proposal," etc. as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act to the Company), and the description of such communication, if any.
- (v) Basis for calculation of the acquisition price (including facts and assumptions underlying the calculation, calculation method, numerical information used in the calculation, and details of synergies expected to arise from a series of transactions related to the Large-Scale Acquisition and the basis for such calculation).
- (vi) The source of funds for the acquisition (including the name of the provider of funds for the Large-Scale Acquirer, including any substantial provider, the method of financing, and details of related transactions, etc.).
- (vii) Candidates for management of the Company and the Group after completion of the Large-Scale Acquisition (including information regarding experience in the same type of business as that of the Company and the Group), management policies, business plans, capital policies, dividend policies and other plans.
- (viii) Measures intended to enhance the corporate value of the Company and the Group sustainably and stably after the completion of the Large-Scale Acquisition and the basis for such measures.
- (ix) Details of any planned changes to the relationship between the Company or the Group and their business partners, customers, employees, local communities, and other stakeholders after the completion of the Large-Scale Acquisition, if any.
- (x) Information on relationships with antisocial forces
- (xi) Specific measures to avoid conflicts of interest with other shareholders of the Company
- (xii) Any other information that the Special Committee would reasonably determine to be necessary.

(4) Assessment and review by the Company's Board of Directors

After the Large-Scale Acquirer completes the provision of the Large-Scale Acquisition Information to the Board of Directors, depending on the degree of difficulty of assessment and review of the Large-Scale Acquisition, the Board of Directors deems it necessary, as a general rule, to secure up to 60 days in the case of an acquisition of all of the Company's shares, etc. by tender offer with cash-only (yen) consideration, and

as a general rule, up to 90 days in the case of other Large-Scale Acquisition, as a period for the Board of Directors to assess, examine, negotiate, form an opinion, as well as to develop an alternative proposal (the “Board of Directors’ Assessment Period”). However, the Board of Directors shall consult with the Special Committee and, upon respecting its recommendations to the maximum extent possible, may extend the Board of Directors’ Assessment Period by up to 30 days to the extent reasonably necessary for such assessment, consideration, negotiation, opinion formation, and development of alternative proposals, etc. If the provision of Large-Scale Acquisition Information is completed, the Board of Directors shall promptly make a disclosure to that effect, as well as with regard to the date on which the Board of Directors’ Assessment Period will expire. In addition, in the event the Board of Directors’ Assessment Period is extended, the Board of Directors shall promptly disclose the period of extension and the reasons thereof.

During the Board of Directors’ Assessment Period, the Board of Directors shall fully assess and examine the Large-Scale Acquisition Information while consulting with the Special Committee and, if and when necessary, obtaining advice from outside experts, etc., and respect the recommendations of the Special Committee to the maximum extent. Based upon this, the Board of Directors shall form an opinion, and disclose such opinion to shareholders. The Board of Directors may negotiate with the Large-Scale Acquirer, if and when necessary, to improve the terms of the Large-Scale Acquisition and present its own alternative proposal to shareholders.

Accordingly, the Large-Scale Acquisition should be commenced only after the Board of Directors’ Assessment Period has elapsed (after the General Meeting of Shareholders has decided not to trigger the Countermeasures in the event where the Board of Directors has decided to submit a proposal for the Countermeasures at the General Meeting of Shareholders in accordance with the proviso in 4(2) below).

4. Policy on response in the event of a Large-Scale Acquisition

(1) In the event the Large-Scale Acquirer does not comply with the Large-Scale Acquisition Rules

If a Large-Scale Acquirer does not comply with the Large-Scale Acquisition Rules, with utmost respect to the recommendations of the Special Committee, the Board of Directors may oppose the Large-Scale Acquisition by triggering the Countermeasures to the extent necessary and reasonable for the purpose of protecting corporate value and the common interests of shareholders. Specific Countermeasures will be selected as deemed appropriate at the time.

An overview of cases in which the Board of Directors may conduct an allotment of stock acquisition rights without contribution as a specific countermeasure is shown in Appendix 4.

(2) In the event the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules

In the event a Large-Scale Acquirer has complied with the Large-Scale Acquisition Rules, the Board of Directors, even if opposed to the Large-Scale Acquisition, may only attempt to persuade shareholders by expressing a counter opinion to the acquisition proposal or indicating an alternative proposal, and as a general rule, the Board of Directors will not implement Countermeasures against the Large-Scale Acquisition.

However, even in the event of compliance with the Large-Scale Acquisition Rules, if the Large-Scale Acquisition falls, for example, under any of the following items of (i) through (viii), and is determined to significantly damage the Company's corporate value and the common interests of shareholders, the Board of Directors may, while respecting the recommendations of the Special Committee to the maximum extent possible, implement the Countermeasures to the degree necessary and reasonable to protect the Company's corporate value and the common interests of shareholders.

- (i) In the event it is determined that the acquisition of the Company's shares is being made for the purpose of inducing the Company or its related parties to acquire the Company's shares at a high price, without any intention of truly participating in the management of the Company.
- (ii) In the event it is determined that the acquisition of the Company's shares is being conducted for the purpose of temporarily controlling the Company's management and causing the transfer of assets (including know-how, trade secrets, etc.), business relationships, etc. necessary for the Company's business to the Large Scale Acquirer or its group companies, etc.
- (iii) If it is determined that the acquisition is being made with the intention of diverting the assets of the Company to make them serve as collateral or a source of the repayment of debt owed by a Large-Scale Acquirer or its group companies, etc.
- (iv) If it is determined that the acquisition of the Company's shares is being made for the purpose of temporarily controlling the Company's management and causing the Company to pay temporarily high dividends, or for the purpose of selling the Company's shares at a high price when the share price rises sharply due to temporarily high dividends.
- (v) If it is determined that there is a possibility that Company's shareholders will be coerced to sell their shares, such as with a coercive two-tier acquisition (a tender offer or other acquisition without soliciting the acquisition of all shares in the first acquisition, and setting unfavorable or unclear conditions for the second and subsequent acquisitions).
- (vi) If the terms of the acquisition (including the type and amount of consideration for the acquisition, timing of the acquisition, structure of related transactions, acquisition method, feasibility of the Large-Scale Acquisition, management policies and business plans after the acquisition, and policy for dealing with business partners, customers, employees, local communities and other stakeholders after the acquisition) are judged to be significantly insufficient or inappropriate in light of the Company's intrinsic value.
- (vii) If it is judged, on reasonable grounds, that the Large-Scale Acquirer's acquisition of control is expected to cause significant damage to the Company's corporate value or is likely to significantly impede the maintenance and improvement of the Company's corporate value by degrading relationships with the Company's shareholders, business partners, customers, employees, local communities and other stakeholders, or other sources of the Company's corporate value.
- (viii) If the Large-Scale Acquirer is judged to be extremely inappropriate as the controlling shareholder of the Company from the viewpoint of public order and morals.

If the Special Committee recommends that a proposal to the General Meeting of Shareholders be made in accordance with 2(2) above, or if the Board of Directors deems it appropriate to submit a proposal to a General

Meeting of Shareholders in light of the duty of care after taking into consideration of the necessary time and other factors, a proposal to a General Meeting of Shareholders shall be made.

In such cases, if, due to the form of the Large-Scale Acquisition, the intent of shareholders may be confirmed based on the voting results of shareholders who do not have a substantial interest in such Large-Scale Acquirer (excluding Restricted Persons as defined in Appendix 4, etc.).

(3) Reconsideration by the Board of Directors (suspension of triggering the Countermeasures, etc.)

Even after the Board of Directors has already decided whether to implement the Countermeasures, in the event the facts on which such decision was based change, such as if the Large-Scale Acquirer withdraws or amends the Large-Scale Acquisition, the Board of Directors may make a decision regarding implementation, suspension or amendment of the Countermeasures, based on further consultation with the Special Committee, and respecting its recommendation to the maximum extent possible. In such cases, the Board of Directors will make timely and appropriate disclosures, including those about matters deemed necessary by the Special Committee.

5. Effective period, amendment, and abolishment of the Policy

The Policy will become effective upon approval by shareholders at this General Meeting of Shareholders, and will remain in effect until the conclusion of the Company's Ordinary General Meeting of Shareholders scheduled to be held in June 2028. However, even before the expiration of the effective period, the Policy shall be abolished if a resolution to abolish the Policy is passed at the General Meeting of Shareholders or a meeting of the Board of Directors. In addition, even during the effective period of the Policy, the Board of Directors may amend the Policy within the scope of the purpose of the approval of the General Meeting of Shareholders upon having received approval of the Special Committee, in the event the Board of Directors deems it necessary from the perspective of securing and enhancing the Company's corporate value and the common interests of shareholders, based on revisions to relevant laws and regulations, trends in judicial decisions, and measures taken by financial instruments exchanges and other public institutions. The Company will promptly notify shareholders of amendment or abolishment of the Policy.

6. Revisions due to amendments to laws and regulations, etc.

The provisions of laws and regulations cited in the Policy are based on the provisions in effect as of May 12, 2025. Following this date, in the event it is necessary to add amendments to the terms and conditions set forth in each section or to alter the meanings of terms, etc., due to the establishment or abolishment of laws and regulations, the Policy may be appropriately and rationally revised the reading of each section or the meaning of terms, taking into consideration the purpose of such new establishment, amendment or abolition.

7. Impact on Shareholders and Investors, etc.

(1) Impact of the Policy on shareholders and investors, etc.

As indicated in 1 above, the Company believes that the Policy is intended to provide shareholders with necessary and sufficient information and time to make an appropriate decision as to whether to accept the Large-Scale Acquisition, and to ensure the Company's ability to negotiate with the Large-Scale Acquirer, therefore the Policy will contribute to ensuring and enhancing the Company's corporate value and the common interests of shareholders.

As indicated in 4 above, the Company's response to a Large-Scale Acquisition will differ depending on whether the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, and shareholders and investors are therefore requested to be cautious with regard to the behavior of the Large-Scale Acquirer.

(2) Impact on shareholders and investors when the Countermeasures are triggered

In the event the Board of Directors decides to implement a specific countermeasure, the Company will make timely and appropriate disclosures in accordance with applicable laws and regulations, and the rules of financial instruments exchanges.

The Company does not anticipate any situation in which shareholders other than the Large-Scale Acquirer, etc. will suffer exceptional legal or economic losses when the Countermeasures are activated.

In the case of an allotment of stock acquisition rights without contribution as the Countermeasure, shareholders other than the Large-Scale Acquirer, etc. will be allotted stock acquisition rights in proportion to the number of shares of the Company they hold, without being required to subscribe for such rights. In addition, as the Company undertakes procedures for the acquisition of such stock acquisition rights, shareholders will receive shares of the Company's stock as consideration for the acquisition of such stock acquisition rights by the Company without payment of money equivalent to the exercise price of such stock acquisition rights, and therefore, no application, payment or other procedures will be required. Details of these procedures will be disclosed in a timely and appropriate manner when these procedures are actually required. If the Board of Directors cancels the stock acquisition rights without contribution or acquires such stock acquisition rights for no consideration after the allotment of stock acquisition rights without contribution (the shareholders will lose such stock acquisition rights as a result of the Company acquiring such stock acquisition rights for no consideration) based on the recommendation of the Special Committee, the dilution of the Company shares' value will not occur, and therefore investors who have conducted sale, etc. of the Company's shares presuming the value per Company share would be diluted, could suffer an unforeseen loss due to the fluctuation of the share price.

IV. The Board of Directors' judgment, and reasoning concerning the initiatives in II and III above being in line with the Basic Policy and consistent with the common interests of shareholders, while not intended to maintain the status of the Company's officers

1. On the special efforts contributing to the realization of the Company's Basic Policy

The Company's medium-term management plan and other initiatives described in II above are directly aimed at ensuring and enhancing the Company's corporate value and the common interests of shareholders, and therefore contribute to the realization of the Basic Policy.

Consequently, the Company believes that the Policy is in line with the Basic Policy and consistent with the common interests of the Company's shareholders, and is not intended to maintain the status of the Company's corporate officers.

2. Efforts to prevent the decisions on the financial and business policies of the Company from being controlled by an inappropriate person in light of the Company's Basic Policy (the Policy)

For the reasons stated below, the Company believes that the Policy is in line with the Basic Policy and consistent with the common interests of the Company's shareholders, and is not intended to maintain the status of the Company's corporate officers.

(1) Decisions made with the objective of securing and enhancing the common interests of shareholders

As described in III 1 above, the Company believes that the Policy will provide its shareholders with necessary and sufficient information and time to make an appropriate decision as to whether to accept the Large-Scale Acquisition, will ensure the ability to negotiate with the Large-Scale Acquirer, and will contribute to the common interests of the Company's shareholders.

(2) Establishment of reasonable objective requirements

As described in III 4 above, the Countermeasures in the Policy are designed to prevent arbitrary triggering by the Board of Directors, as they will not be activated unless reasonable objective requirements are satisfied.

(3) Respecting and reflecting shareholders' opinions

As described in III 5 above, if the Company does not obtain the approval of shareholders by submitting the Policy as an agenda item at this Ordinary General Meeting of Shareholders, the Policy will not come into effect. In addition, even before the expiration of the Policy's effective period, if a resolution to the effect of abolishing or amending the Policy is passed at a General Meeting of Shareholders or at a meeting of the Board of Directors, the Policy will be abolished or amended at that time, and the will of the shareholders regarding the Policy will be reflected.

(4) Emphasis on judgment of highly independent external parties and information disclosure

As described in III 2 above, the Special Committee, which consists solely of highly independent external parties, will make substantive decisions regarding the appropriateness of triggering the Countermeasures under the Policy.

In addition, an overview of the decision will be disclosed to shareholders, thus ensuring the transparent

operation of the Policy so as to contribute to the Company's corporate value and the common interests of shareholders.

(5) The Anti-takeover Measures are not a "dead hand" or a "slow hand" provision

As described in III 5 above, the Policy is not a so-called dead-hand provision (an anti-takeover measure that cannot be stopped even if a majority of the members of the Board of Directors are replaced) because it can be abolished by a resolution of a General Meeting of Shareholders or a meeting of the Board of Directors. In addition, since the term of office of Directors is one year and the Company has not adopted a staggered board system, the Policy is also not a slow-hand provision (an anti-takeover measure that requires time to prevent its triggering because the members of the Board of Directors cannot be replaced all at once).

Status of major shareholders

(as of March 31, 2025)

Name of Shareholder	Number of Shares Held (thousand)	Percentage of Shares Held (%)
Mochida Memorial Foundation for Medical and Pharmaceutical Research	5,688	16.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,179	8.97
Princess Takamatsu Cancer Research Fund	1,683	4.75
MUFG Bank, Ltd.	1,586	4.48
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) Re-trust Trustee: Custody Bank of Japan, Ltd.	1,434	4.05
Nissui Corporation	1,200	3.39
Naoyuki Mochida	1,071	3.02
Takeshi Mochida	949	2.68
Kazue Mochida	847	2.39
Taisho Pharmaceutical Holdings Co., Ltd.	800	2.26

(Note) 1. In addition to the above, the Company holds 939 (thousand) shares of treasury stock.

2. The percentage of shares held is calculated after having excluded treasury stock.

Appendix 2

Overview of Special Committee Rules

1. The Special Committee shall have at least three members, who shall be independent of the Company's management team that executes the business operations, and shall be appointed by the Board of Directors from among the Outside Directors and Outside Audit & Supervisory Board Members. (The members except the initial members listed in Appendix 3 shall be appointed by the Board of Directors).
2. The term of office of Special Committee members shall expire at the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in June 2028. In the event a member of the Special Committee who is an Outside Director or an Outside Audit & Supervisory Board Member ceases to be an Outside Director or an Outside Audit & Supervisory Board Member (except in the case of reappointment), the term as a Special Committee member shall also end at the same time.
3. The Special Committee shall make decisions on the matters set forth in (i) through (iii) below, and shall make recommendations to the Board of Directors regarding the details of such decisions, along with the reasoning for the decisions. The Special Committee shall also conduct matters that it is authorized to perform under the Policy. In making judgments, decisions, recommendations, etc. based on the Policy, each member of the Special Committee and each Director shall do so exclusively from the perspective of whether it contributes to the corporate value of the Company and the common interests of its shareholders, and shall not do so for the purpose of pursuing their own personal interests or those of the Company's management team.
 - (i) Whether or not an allotment of stock acquisition rights without contribution and other Countermeasures pursuant to the Policy should be activated
 - (ii) Cancellation of an allotment of stock acquisition rights without contribution or other Countermeasures pursuant to the Policy (including acquisition of such stock acquisition rights without consideration by the Company)
 - (iii) Other matters on which the Board of Directors should decide, for which the Board of Directors has consulted the Special Committee
4. If the Special Committee determines that the information submitted by the Large-Scale Acquirer is insufficient as Large-Scale Acquisition Information, it may request the Large-Scale Acquirer to provide additional information. In addition, if the Large-Scale Acquisition Information has been provided, the Special Committee may also request the Board of Directors to provide, within the prescribed period, its opinion on the details of the Large-Scale Acquisition as well as materials supporting such opinion, an alternative proposal, and any other information that the Special Committee deems appropriate and necessary.
5. In order to gather necessary information, the Special Committee may request the attendance, and briefings, of the Company's Directors, Audit & Supervisory Board Members, employees, and other persons the Special Committee deems necessary.

6. The Special Committee may, at the Company's expense, solicit the advice of independent third parties (including investment banks, securities firms, financial advisors, certified public accountants, lawyers, consultants and other experts).

7. Each member of the Special Committee and the Board of Directors may convene a meeting of the Special Committee as necessary in the event of a Large-Scale Acquisition or at any other time.

8. Resolutions of the Special Committee shall, in principle, be adopted by a majority of the votes of all the members of the Special Committee present. However, when a member is unable to attend a meeting or when unavoidable circumstances exist, a resolution may be adopted by a majority of the voting rights of a meeting where a majority of the members of the Special Committee are present.

Appendix 3

Tomoo Kugisawa

Career Summary

Born in 1955

Apr. 1987	Registered as an attorney-at-law (to the present) Joined Tokyo Fuji Law Office
Apr. 1995	Partner at Tokyo Fuji Law Office
Apr. 2005	Professor at Omiya Law School
Jun. 2006	Outside Corporate Auditor at OG Corporation
Jun. 2012	Outside Director of the Company (to the present)
Apr. 2019	Visiting professor at Chuo University Law School (to the present)
Jan. 2023	Representative at Tokyo Fuji Law Office (to the present)

Shigeaki Yoshikawa

Career Summary

Born in 1953

Apr. 1977	Joined Mitsubishi Corporation
Apr. 2008	Executive Officer, General Manager of Global Strategy & Coordination Department at Mitsubishi Corporation
Apr. 2010	Executive Officer, Chief Regional Officer for the Europe, Middle East and Africa CIS at Mitsubishi Corporation
Apr. 2013	Executive Vice President, Regional CEO, Middle East & Central Asia at Mitsubishi Corporation
Oct. 2016	Executive Vice President at Mitsubishi Research Institute, Inc.
Dec. 2016	Executive Vice President, Representative Director at Mitsubishi Research Institute, Inc.
Jun. 2017	Management Council Member at Fukushima Medical University (to the present)
Dec. 2020	Full-time Senior Corporate Advisor at Mitsubishi Research Institute, Inc.
Apr. 2021	Visiting Professor in Department of Business Design; Research Fellow at Institute of Current Business Studies, Showa Women's University (to the present)
Jan. 2022	Senior Corporate Adviser at Mitsubishi Research Institute, Inc.
Jun. 2022	Outside Director at Azbil Corporation (to the present)
Jun. 2023	Chairman and Representative Director of The Japan Singapore Association (to the present) Outside Director of the Company (to the present)

Yoshifumi Miyata

Career Summary

Born in 1952

Apr. 1978	Joined the Dai-ichi Mutual Life Insurance Company
Apr. 2006	Executive Officer and General Manager of Financial Institution Relations Department at the Dai-ichi Mutual Life Insurance Company
Apr. 2009	Managing Executive Officer of the Dai-ichi Mutual Life Insurance Company
Jun. 2010	Outside Audit & Supervisory Board Member of Tsugami Corporation
Jun. 2012	Representative Director and Vice-President of Trust & Custody Services Bank, Ltd.
Oct. 2018	Outside Director at Wellnest Communications, Inc. (to the present)
Jun. 2021	Outside Audit & Supervisory Board Member of the Company (to the present)

Appendix 4

Overview of Allotment of Stock Acquisition Rights without Contribution

1. Shareholders entitled to receive stock acquisition rights and method of allotment

Stock acquisition rights shall be allotted to shareholders recorded in the final shareholders' register as of the allotment date determined by the Board of Directors, at a ratio of one stock acquisition right for every one share of common stock of the Company held by such shareholders (excluding, however, shares of the Company's common stock held by the Company) without requiring them to make any new payment.

2. Class and number of shares to be issued upon exercise of stock acquisition rights

The class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon exercise of each stock acquisition right shall be one share. However, if the Company conducts a stock split or a reverse stock split, the necessary adjustments shall be made, and any fraction of less than one share resulting from the adjustment shall be rounded down and no adjustment in cash shall be made.

3. Total number of stock acquisition rights to be allocated

The maximum number of shares to be issued shall be the number of shares obtained by subtracting the total number of outstanding shares of common stock of the Company (excluding shares of common stock of the Company held by the Company) from the final total number of shares of common stock of the Company authorized to be issued as of the date of allocation as determined by the Board of Directors. The Board of Directors may implement an allotment of stock acquisition rights without contribution more than once.

4. Assets to be contributed upon exercise of the stock acquisition rights and their amount

The assets to be contributed upon exercise of the stock acquisition rights shall be cash, the amount of which shall be determined by the Board of Directors at a minimum of one yen per share of common stock of the Company.

5. Restrictions on transfer of stock acquisition rights

Acquisition of stock acquisition rights by transfer shall require the approval of the Board of Directors.

6. Conditions on the exercise of stock acquisition rights

The conditions for exercising the stock acquisition rights shall be that the person or any persons affiliated with this person (Note) (hereinafter collectively referred to as "Restricted Persons") is not in a specific group of shareholders including the Large-Scale Acquirer or a person who has received or succeeded to the stock acquisition rights from such specific group of shareholders without the approval of the Board of Directors of the Company, etc. (Details shall be separately determined by the Board of Directors).

(Note) A person affiliated with a certain person is defined as (i) an investment bank, securities firm, or other financial institution that has entered into a financial advisory agreement with a certain person, or any other person that has a substantial common interest with such person, (ii) a tender offer agent, attorney, accountant, tax accountant, or other advisor to such person, or (iii) a person that substantially controls, is controlled by, or is under common control with such person, or a person that substantially acts in concert or coordination with such person, as reasonably recognized by the Company's Board of Directors. Regarding the determination of (iii) above, the criteria for determining the applicability of Joint and Concerted Actors shall be applied *mutatis mutandis*.

7. Acquisition of stock acquisition rights by the Company

(1) At a date determined by the Board of Directors, the Company may acquire unexercised stock acquisition rights held by persons other than Restricted Persons by the preceding business day and may, in exchange, deliver the granted number of shares of common stock of the Company per one stock acquisition right.

(2) The Company may, at any time up to the day before the commencement date of the exercise period of stock acquisition rights, acquire all stock acquisition rights without consideration upon reaching a date determined by the Board of Directors, if the Board of Directors deems it appropriate to acquire the stock acquisition rights

(3) Details other than the above shall be separately determined by the Board of Directors. The stock acquisition rights held by a Restricted Person shall be subject to an acquisition clause, if any, to the effect that the stock acquisition rights will be acquired in exchange for another stock acquisition right with certain exercise conditions and/or an acquisition clause.

8. Exercise period, etc. of stock acquisition rights

The effective date of the allotment of stock acquisition rights without contribution, exercise period and other necessary matters shall be separately determined by the Board of Directors.