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(Stock Exchange Code 4587)
March 3, 2021

To Shareholders with Voting Rights:

Patrick Reid
Representative Director, President & CEO
PeptiDream Inc.
3-25-23 Tonomachi, Kawasaki-ku,
Kawasaki City, Kanagawa

**NOTICE OF
THE 15th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified of the 15th Ordinary General Meeting of Shareholders of PeptiDream Inc. (the “Company”). The meeting will be held for the purposes as described below.

To minimize the risk of the spread of infection at the venue in light of the spread of the novel coronavirus (COVID-19), all shareholders are encouraged to refrain from attending the meeting, and if at all possible, exercise your voting rights in writing or via the Internet.

If you exercise your voting rights in writing or via the Internet, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Wednesday, March 24, 2021, Japan time.

- 1. Date and Time:** Thursday, March 25, 2021 at 10:00 a.m. Japan time
- 2. Place:** Prince Room, B1F Grand Prince Hotel Takanawa,
3-13-1 Takanawa, Minato-ku, Tokyo
- 3. Agenda:**
 - Matters to be reported:** The Business Report and Financial Statements for the Company’s 15th Fiscal Year (January 1, 2020 - December 31, 2020)
 - Proposals to be resolved:**
 - Proposal 1:** Election of 3 Directors (Excluding Directors Appointed as Audit and Supervisory Committee Members)
 - Proposal 2:** Election of 4 Directors Appointed as Audit and Supervisory Committee Members
 - Proposal 3:** Determination of the Amount of Performance-linked Stock Compensation for Directors due to Amendments to the Companies Act
- 4. Other matters** Of the documents to be provided concurrently with this Notice of the Ordinary General Meeting of Shareholders, “6. Structures to Ensure Proper Execution of Business Operations and Operational Status of the Structures” as discussed in the Business Report and Notes to Financial Statements are not included in this Notice but are presented on the Company’s website (<https://www.peptidream.com/ir/> *Japanese only) in accordance with the laws and regulations, and Article 17 of the Company’s Articles of Incorporation. The Business Report and Financial Statements audited by Audit and Supervisory Committee and Accounting Auditor are the documents accompanying this Notice, “6. Structures to Ensure Proper Execution of Business Operations and Operational Status of the Structures” in the Business Report and Notes to Financial Statements which are presented on the Company’s website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 3 Directors (Excluding Directors Appointed as Audit and Supervisory Committee Members)

The terms of office of all 4 Directors (excluding Directors appointed as Audit and Supervisory Committee Members; hereinafter the same shall apply to this Proposal) will expire at the end of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of 3 Directors.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Patrick Reid (January 14, 1975)	<p>August 2003 NRSA Post-doctoral Fellow of Dartmouth Medical School</p> <p>April 2004 Project Associate Professor of Research Center for Advanced Science and Technology, the University of Tokyo</p> <p>January 2005 Visiting Associate Professor of Center for Collaborative Research, the University of Tokyo</p> <p>April 2006 Project Associate Professor of Research Center for Advanced Science and Technology, the University of Tokyo</p> <p>January 2007 Joined the Company</p> <p>August 2008 Director of the Company</p> <p>May 2012 Director and General Manager of Scientific Department of the Company</p> <p>September 2012 Senior Vice President and General Manager of Scientific Department of the Company</p> <p>July 2014 Senior Vice President, Head of Research & Development of the Company</p> <p>September 2017 Representative Director, President and CEO of the Company (to present)</p>	4,657,400
2	Keiichi Masuya (April 2, 1969)	<p>April 1998 Joined Mitsubishi Chemical Corporation</p> <p>September 2001 Joined Novartis Pharma K.K.</p> <p>April 2006 Joined Novartis International AG</p> <p>November 2008 Head of PPI Drug Discovery and Novartis Leading Scientist of Novartis International AG</p> <p>July 2014 General Manager of Scientific Department of the Company</p> <p>September 2015 Director and Vice President, Head of Chemistry of the Company</p> <p>March 2018 Director and Executive Vice President of the Company</p> <p>October 2018 Director and Executive Vice President of the Company (no change to English title) (to present)</p> <p>April 2020 Director of PeptiGrowth Inc. (to present)</p> <p>November 2020 Representative Director and President of PeptiAID Inc. (to present)</p> <p>(Significant concurrent positions) Representative Director and President of PeptiAID Inc.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kiyofumi Kaneshiro (August 16, 1977)	<p>April 2003 Research Fellow of the Japan Society for the Promotion of Science (DC)</p> <p>April 2005 Researcher at Center for Collaborative Research, the University of Tokyo</p> <p>April 2006 Joined The Boston Consulting Group (BCG)</p> <p>January 2016 Partner & Managing Director of BCG</p> <p>January 2018 Executive Vice President of the Company</p> <p>October 2018 Director and Executive Vice President of the Company (to present)</p> <p>November 2020 Director of PeptiAID Inc. (to present)</p>	0

(Notes)

1. None of the above candidates has special interest in the Company.
2. Dr. Patrick Reid joined the Company shortly after its foundation and has been leading research and development operations. He is assuming the responsibility of management as a Director of the Company and has deep insight and ability. In light of this, the Company believes that Dr. Reid is capable of successfully fulfilling his duties as Director, with respect to the decision-making process of the Board of Directors.
3. Dr. Keiichi Masuya has a wealth of operational experience in the Scientific Department of the Company and deep insight in the field. In light of this, the Company believes that Dr. Masuya is capable of successfully fulfilling his duties as Director, with respect to the decision-making process of the Board of Directors.
4. Dr. Kiyofumi Kaneshiro has extensive experience in all aspects of management and a high level of insight. In light of this, the Company believes that Dr. Kaneshiro is capable of successfully fulfilling his duties as Director by utilizing his experience and insight, with respect to the decision-making process of the Board of Directors.
5. The Company has concluded a directors and officers liability insurance (D&O insurance) contract that insures all directors in order to allow the officers to fulfill their expected roles when performing their duty and to enable the Company to attract talented human resources. If this proposal is approved as originally proposed and the candidates assume office as Directors, each candidate shall be an insured person under this contract. Under this contract, any damage that may arise as a result of the insured officers assuming responsibilities related to the performance of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. However, there are certain exemptions where no damage shall be covered if such damage was caused as a result of acts committed while being aware of violation of laws and regulations. The Company bears all insurance premiums, including the portion for riders, and the insured persons shall not effectively bear any insurance premiums. The Company intends to update this contract on May 25, 2021 during the candidates' terms of office.

Proposal 2: Election of 4 Directors Appointed as Audit and Supervisory Committee Member

The terms of office of all 3 Directors appointed as Audit and Supervisory Committee Members will expire at the end of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of 4 Directors appointed as Audit and Supervisory Committee Members. The Audit and Supervisory Committee has previously given its approval for the submission of this proposal.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Michio Sasaoka (July 16, 1949)	September 1978 Postdoctoral Research Associate of Massachusetts Institute of Technology October 1980 Joined Otsuka Chemical Co., Ltd. January 1988 General Manager of Synthesis Research of Otsuka Chemical Co., Ltd. November 2003 Director of Explorative Laboratory of Otsuka Chemical Co., Ltd. March 2007 Managing Director of Otsuka Chemical Co., Ltd. August 2009 Adviser of Otsuka Chemical Co., Ltd. May 2012 Corporate Auditor of the Company September 2015 Director (Audit and Supervisory Committee Member) of the Company (to present)	200,000
2	Toshio Nagae (December 2, 1943)	April 1967 Joined Shionogi & Co., Ltd. October 1970 Joined ICI-Pharma Ltd. (current AstraZeneca K.K.) June 1981 Joined Schering-Plough K.K. (current MSD K.K.) May 1997 Joined Rhône-Poulenc-Rorer K.K. (current Sanofi K.K.) January 2000 Executive Officer of Aventis Pharma K.K. (current Sanofi K.K.) May 2003 President and Representative Director of CMIC-MPSS Co. Ltd. (current CMIC Ashfield Co., Ltd.) June 2003 President and Representative Director of PCN Co., Ltd. (current Healthclick Co., Ltd.) October 2005 President and Representative Director of York Pharma K.K. January 2010 Established Pharma Business Consultant, Representative (to present) April 2014 Visiting Professor of Gifu Pharmaceutical University (to present) September 2015 Director (Audit and Supervisory Committee Member) of the Company (to present) June 2017 Director (Audit and Supervisory Committee Member) of Human Metabolome Technologies, Inc. (to present)	7,600
3	Yukinori Hanafusa (May 10, 1975)	April 1998 Joined Aoyama Audit Corporation July 2001 Registered as a Certified Public Accountant August 2009 Founding Representative Director of Accounting Works Co., Ltd. (to present) March 2015 Corporate Auditor of ARCLAND SERVICE CO., LTD.(current ARCLAND SERVICE HOLDINGS CO., LTD. March 2016 Director (Audit and Supervisory Committee Member) of ARCLAND SERVICE CO., LTD. (to present) September 2017 Director (Audit and Supervisory Committee Member) of the Company (to present) January 2019 Director (Audit and Supervisory Committee Member) of GIFT INC. (to present) June 2020 Outside Director of AIZAWA SECURITIES CO., LTD. (to present) (Significant concurrent positions) Representative Director of Accounting Works Co., Ltd.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	(New) Junko Utsunomiya (Registered name: Junko Morita) (June 21, 1971)	<p>April 2000 Joined Nagashima Ohno & Tsunematsu</p> <p>October 2007 Seconded to Tokyo Stock Exchange, Inc.</p> <p>November 2011 Founded Utsunomiya Law Office</p> <p>June 2012 External Statutory Auditor of Start Today Ltd. (current ZOTO, Inc.) (to present)</p> <p>April 2013 Outside Corporate Auditor of Solasto Corporation</p> <p>September 2013 Outside Director of Adventure, Inc.</p> <p>February 2018 Founding partner of Utsunomiya Shimizu & Haruki (to present)</p> <p>October 2018 Outside Corporate Auditor of RAKSUL INC.</p> <p>October 2019 Director of RAKSUL INC. (Audit and Supervisory Committee Member) (to present)</p> <p>June 2020 Outside Director of Heiwa Real Estate Co., Ltd. (to present)</p> <p>(Significant concurrent positions)</p> <p>Partner of Utsunomiya Shimizu & Haruki</p>	0

(Notes)

1. None of the above candidates has special interest in the Company.
2. Mr. Michio Sasaoka, Professor Toshio Nagae, Mr. Yukinori Hanafusa and Ms. Junko Utsunomiya are candidates for Outside Directors. The Company has selected its candidates for Independent Outside Directors based on the Independence Standards set forth by the Tokyo Stock Exchange. The Company has appointed Mr. Sasaoka, Professor Nagae and Mr. Hanafusa as Independent Directors based on the provisions of the Tokyo Stock Exchange and filed them with the Tokyo Stock Exchange. In addition, if Ms. Junko Utsunomiya is elected, she is expected to become an Independent Director.
3. Mr. Sasaoka has extensive experience and broad perspective as an entrepreneur and has been involved with the formulation of the Company's management strategy and planning and with the process of determining appointment and remuneration as an Audit and Supervisory Committee Member and is expected to continue performing this role. Therefore, the Company believes that Mr. Sasaoka is capable of successfully fulfilling his duties as Outside Director. Mr. Sasaoka is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be five years and six months at the conclusion of this Ordinary General Meeting of Shareholders.
4. Professor Nagae has extensive experience and broad perspective as an entrepreneur and has been involved with the decision-making process for the business execution of the Company and with the process of determining appointment and remuneration as an Audit and Supervisory Committee Member and is expected to continue performing this role. Therefore, the Company believes that Professor Nagae is capable of successfully fulfilling his duties as Outside Director. Professor Nagae is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be five years and six months at the conclusion of this Ordinary General Meeting of Shareholders.
5. Mr. Hanafusa has extensive experience and a broad perspective as a Certified Public Accountant. Mr. Hanafusa has been providing appropriate opinions, from a viewpoint of ensuring legality and appropriateness of the decision-making process of the Company's business execution, as well as monitoring and supervising of the management by utilizing his experience and perspective and is expected to continue performing this role. Therefore, the Company believes that Mr. Sasaoka is capable of successfully fulfilling his duties as Outside Director. Mr. Hanafusa is an active Outside Director appointed as Audit and Supervisory Committee Member of the Company and his term of office as Outside Director appointed as Audit and Supervisory Committee Member will be three years and six months at the conclusion of this Ordinary General Meeting of Shareholders.
6. Ms. Utsunomiya has extensive experience and broad perspective as an attorney and is well versed in corporate legal affairs. Therefore, the Company believes that Ms. Utsunomiya is capable of utilizing this to provide appropriate opinions, from a viewpoint of ensuring legality and appropriateness of the decision-making process of the Company's business execution. Therefore, the Company believes that Ms. Utsunomiya is capable of successfully fulfilling her duties as Outside Director.
7. Ms. Utsunomiya was an Outside Director of Adventure, Inc. (She resigned as Outside Director in September 2020), and during her term of office, embezzlement by an employee of a subsidiary of that company was discovered. Although Ms. Utsunomiya had no prior knowledge of the fact, she made appropriate proposals to that company on a

day to day basis from the perspective of adherence to laws and regulation and compliance, while requesting a thorough investigation once this incident was detected as well as the formulation of measures to prevent reoccurrence. She appropriately performed such duties including the supervision of that company's initiatives.

8. The Company has entered into an agreement with Mr. Sasaoka, Professor Nagae and Mr. Hanafusa to limit their liability for damages pursuant to Paragraph 1, Article 427 of the Companies Act. Subject to the approval of their election, the Company intends to extend the agreement with them. In addition, subject to the approval of the election of Ms. Utsunomiya, the Company intends to enter into an agreement under the same terms with her. The maximum amount of liability for damages under this agreement shall be one million yen or the minimum statutory amount of liability, whichever is greater.
9. The Company has concluded a directors and officers liability insurance (D&O insurance) contract that insures all directors in order to allow the officers to fulfill their expected roles when performing their duty and to enable the Company to attract talented human resources. If this proposal is approved as originally proposed and the candidates assume office as Directors, each candidate shall be an insured person under this contract. Under this contract, any damage that may arise as a result of the insured officers assuming responsibilities related to the performance of their duties or receiving claims pertaining to the pursuit of such responsibilities shall be covered. However, there are certain exemptions where no damage shall be covered if such damage was caused as a result of acts committed while being aware of violation of laws and regulations. The Company bears all insurance premiums, including the portion for riders, and the insured persons shall not effectively bear any insurance premiums. The Company intends to update this contract on May 25, 2021 during the candidates' terms of office.

Proposal 3: Determination of the Amount of Performance-linked Stock Compensation for Directors due to Amendments to the Companies Act

1. Reasons for the proposal and its justification

At its 10th Ordinary General Meeting of Shareholders held on September 28, 2016, the Company gained approval for the introduction of the performance-linked stock compensation plan (hereinafter referred to as the “Plan”) for Directors (excluding Outside Directors and Directors appointed as Audit and Supervisory Committee Members; hereinafter referred to as “Directors”) which remains in effect until now (the resolution of the aforementioned General Meeting of Shareholders hereinafter referred to as the “Original Resolution”). However, in line with the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on March 1, 2021, the Company seeks the approval of shareholders to newly set the amount of performance-linked stock compensation for Directors, in lieu of the amount of current compensation for Directors under the Plan.

The submission of this Proposal is part of the procedure required in connection with the revisions to laws and regulations and is not intended to increase the amount of compensation in substance compared to that under the Original Resolution. As in the Original Resolution, the purpose of this Proposal is to further clarify the linkage between Directors’ compensation and the Company’s performance as well as its stock value, sharing with shareholders not only the merits of the increase in the stock price, but also the risk of the decrease in the stock price, thereby increasing awareness of the Directors to contribute to the medium- to long-term improvement in the performance and to the enhancement of corporate value. The Company, therefore, considers this Proposal to be appropriate in light of the purpose.

This Proposal is to request the approval of the compensation amount and specific details in relation to the payment of compensation to the Company’s Directors under the Plan, separate from the maximum amount of compensation for Directors (annual amount within ¥1 billion (of which the Outside Director’s portion is an annual amount within ¥100 million), excluding employee’s salary portion for Directors who concurrently serve as employees) approved at the 9th Ordinary General Meeting of Shareholders held on September 18, 2015. The Company proposes that the details of the Plan be determined at the discretion of its Board of Directors within the framework of 2. below.

In addition, while 4 Directors currently fall under the Plan, subject to the approval of Proposal 1 as originally proposed, the number of Directors who fall under the Plan will be 3.

The resolution of the Plan shall be effective retrospectively from March 1, 2021.

2. The amount of compensation of and specific details of the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan whereby the Company’s shares, which are acquired through the trust (hereinafter the trust established in accordance with the Plan is referred to as the “Trust”) with cash funded by the Company, and cash equivalent in amount to the value of the Company’s shares converted at the market value (hereinafter referred to as the “Company’s Shares, etc.”) are granted to the Directors of the Company through the Trust in accordance with the Officer Stock Benefit Rules established by the Board of Directors. In principle, Directors will receive the Company’s Shares, etc. upon their retirement.

(2) Eligible persons for the Plan

Directors of the Company (Outside Directors and Directors appointed as Audit and Supervisory Committee Members are not eligible for the Plan.)

(3) Amount of money in the Trust

The Company introduced the Plan for three business years starting from the business year ended June 30, 2017 up to the business year ended June 30, 2019 (the above three business years and each period of the three business years starting after the first three business years shall be referred to as the “Target Period,” respectively) and each subsequent Target Period. The Company established the Trust, designating Directors who meet the beneficiary requirements as its beneficiaries and contributing up to ¥300 million to the Trust as a fund to acquire the shares for the purpose of granting the Company’s Shares, etc. to the Directors in accordance with the Plan during the initial Target Period. For the current Target Period (from the business year ended December 31, 2019 up to the business year ending December 31, 2021), as the year ended December 31, 2019 is a six-month period due to a change in the fiscal period, an additional contribution of up to ¥250 million has been made in consideration of the fact that this Target Period is shorter than normal. The Trust has acquired 70,700 shares of the Company using the money entrusted by the Company for the current Target Period.

After the current Target Period, the Company plans to additionally fund the trust with the amount up to ¥300 million

during each Target Period until the termination of the Plan. However, when the Company makes such additional contribution during the current Target Period or after such Target Period, if the Company's shares (excluding the Company's shares equivalent to points granted to Directors that have not been delivered to them) and cash remain in the trust assets on the last day of the Target Period immediately prior to the Target Period for which the Company makes the additional contribution (hereinafter referred to as the "Remaining Shares, etc."), the total of the value of the Remaining Shares, etc. (with respect to the Company's shares, the book value as of the last day of the immediately prior Target Period) and the cash to be additionally contributed shall be within the upper limit approved in this Proposal. An announcement will be made in an appropriate and timely manner when the Company decides to make an additional contribution.

(4) Method of acquisition by the Trust of the Company's shares and number of shares to be acquired

The Trust shall acquire the Company's shares through the stock market or by underwriting the disposition of the Company's treasury shares, using as the funds contributed in accordance with (3) above.

(5) Maximum number of the Company's Shares, etc. to be granted to Directors

For each business year, Directors will be granted the number of points determined by taking into account factors, such as the position and degree of achievements in performance, in accordance with the Officer Stock Benefit Rules. The maximum number of points to be granted to the Directors per fiscal year shall be no more than 16,666 points. The Company deems this appropriate upon having made its decision comprehensively taking into consideration standards for payment of compensation for currently serving Directors, past share price levels, current and anticipated developments with respect to the number of Directors, and other such factors.

Each point granted to Directors will be converted to two common shares when the Company Shares, etc. are granted as described in (6) below. (However, if the Company conducts a stock split, allotment of shares without contribution, stock consolidation or any other event with respect to the Company's shares after the approval of this Proposal, the Company will make a rational adjustment to the maximum number of points, the number of points that have been granted, and the conversion ratio according to the ratio resulting from such event.)

The ratio of the number of shares (33,332 shares) equivalent to the maximum number of points to be granted to Directors per fiscal year to the total number of shares issued (as of December 31, 2021, after deduction of treasury shares) is approximately 0.03%.

The number of Director's points, which will be the standard upon delivery of the Company's Shares, etc. under (6) below, is the total number of points granted to the Director until the time when the beneficiary requirements are fulfilled (hereinafter referred to as the "Defined Number of Points").

(6) Delivery of the Company's Shares, etc.

When a Director fulfills the beneficiary requirements set forth in the Officer Stock Benefit Rules upon retirement, in principle, the said Director is eligible for receiving the Company's shares from the trust after his/her retirement based on the Defined Number of Points as set forth in (5) above by completing the predetermined beneficiary certification procedures. However, if the Director fulfills the requirements set forth in the Officer Stock Benefit Rules, he/she will receive, in respect of a certain percentage of the points, cash equivalent to the market value of the Company's shares in lieu of the granting of the Company's shares. The Company may sell the Company's shares through the trust in order to make cash provisions.