

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To our Shareholders:

(Securities Code: 2183)

June 7, 2023

1-6-1 Miyahara, Yodogawa-ku, Osaka

Linical Co., Ltd.

Kazuhiro Hatano, President & Chief Executive Officer

Notice of the 18th Ordinary General Meeting of Shareholders

Dear Sir or Madam, we would like to express our appreciation for your continued support and patronage. Please be notified that the 18th Ordinary General Meeting of Shareholders of Linical Co., Ltd. (the “Company”) will be held as described below.

When convening this General Meeting of Shareholders, the Company has taken measures for electronic provision for the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (Matters concerning Electronic Provision Measures), and posted the information on the following websites on the Internet. Please check any one of the following websites.

[The Company website]

<https://www.linical.co.jp/ir/>



(Please access the website listed above and check the “Stock Information” section)

[Website for the materials for the General Meeting of Shareholders]

<https://d.sokai.jp/2183/teiji/>



[Tokyo Stock Exchange website (TSE Listed Company Search)]

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



(Please access the TSE website listed above, enter “Linical” in “Issue name (company name)” or “2183” in “Code” to search, select “Basic Information” and “Documents for public inspection/PR information” in that order, and then check the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” section under “Documents for public inspection.”)

You may exercise your voting rights online or in writing (by mail). We kindly request you to read the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than the end of business at 5:30 p.m. (JST) on Wednesday, June 21, 2023.

Details

- 1. Date and Time:** Thursday, June 22, 2023 at 10 a.m. (JST)
- 2. Venue:** 1-6-1 Miyahara, Yodogawa-ku, Osaka
Conference Room A, 3rd Floor, Shin-Osaka Brick Building
(Please refer to the attached “Guide Map to the Venue of the General Meeting of Shareholders.”)
- 3. Proposals and Reference Matters**

Items to be reported:	<ol style="list-style-type: none">1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit & Supervisory Board for the 18th business period (April 1, 2022 to March 31, 2023)2. The non-consolidated financial statements for the 18th business period (April 1, 2022 to March 31, 2023)
Items to be resolved:	<p>Proposal No. 1 Partial Amendment to the Articles of Incorporation</p> <p>Proposal No. 2 Election of Nine (9) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)</p> <p>Proposal No. 3 Election of Three (3) Executive Directors Who Are Audit and Supervisory Committee Members</p> <p>Proposal No. 4 Election of One (1) Substitute Executive Director Who Is an Audit and Supervisory Committee Member</p> <p>Proposal No. 5 Determination of Remuneration Amount for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)</p> <p>Proposal No. 6 Determination of Remuneration Amount for Executive Directors Who Are Audit and Supervisory Committee Members</p>
- 4. Matters Prescribed for Convocation**
 - (1) When voting rights are exercised in writing (by mail) without indication of approval or disapproval for each proposal on the returned Voting Form, it shall be treated as “approve.”
 - (2) When voting rights are exercised multiple times via the Internet, the last vote shall be deemed valid.
 - (3) When voting rights are exercised both by the Voting Form (by mail) and via the Internet, the Internet vote shall be deemed valid.
 - When attending the General Meeting of Shareholders, please present the Voting Rights Exercise Form to the reception of the venue.
 - If any revision is made to the Matters Concerning Electronic Provision Measures, a notice to such effect shall be posted on the respective websites along with the matters before and after the revision.
 - Shareholders shall receive a document stating the Matters Concerning Electronic Provision Measures; however, the following items shall be excluded from the documents in accordance with the law and Article 16 of the Company's Articles of Incorporation.
 - (1) “Framework to Ensure Proper Operation of Business and Its Operation” in the Business Report
 - (2) “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements”
 - (3) “Non-Consolidated Statement of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements”Therefore, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements listed in the document are part of the documents audited by the Accounting Auditor and Corporate Auditors in preparing the Accounting Audit Report and Audit Report, respectively.

Reference Documents for the General Meeting of Shareholders

Reference Information Common to Proposals No. 1 through No. 6

Proposals No. 1 through No. 6 listed in the Reference Documents for this General Meeting of Shareholders are related to the transition to a company with an audit and supervisory committee. In submitting these proposals, the Company will explain the reasons for the transition to a company with an audit and supervisory committee and the characteristics of a company with an audit and supervisory committee.

◆Reasons for the transition to a company with an audit and supervisory committee

The Company regards the strengthening of corporate governance as a top management priority and has been working to improve management transparency and ensure faster decision-making. The Company believes that the transition to a company with an audit and supervisory committee will strengthen the supervisory function of the Board of Directors and further improve the soundness and transparency of management by allowing Outside Executive Directors who are Audit and Supervisory Committee Members to own the voting rights of the Board of Directors. In addition, by separating the functions of business execution from the Board of Directors, and by making faster business decision-making possible, the Company will build a mechanism to make swift and decisive decisions that are necessary in the business environment surrounding the Company.

◆Company with an audit and supervisory committee

A company with an audit and supervisory committee will create an audit and supervisory committee in place of Audit & Supervisory Board Members as well as the Audit & Supervisory Board that consists of three (3) or more Executive Directors, the majority of whom are Outside Executive Directors. Unlike Audit & Supervisory Board Members, Executive Directors who are Audit and Supervisory Committee Members have voting rights in the Board of Directors as Executive Directors and have the authority to express opinions at the General Meeting of Shareholders on the appointment and dismissal of and remuneration for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee members). In light of these factors, the supervisory functions of the Audit and Supervisory Committee Members and the Audit and Supervisory Committee are expected to be strengthened.

In addition, in accordance with the provisions of the Articles of Incorporation, a company with an audit and supervisory committee may delegate some decision-making authorities to Executive Directors by resolution of the Board of Directors. The Company believes that this will enable swift business decision-making and further enhancement of the effectiveness of supervision because execution and supervision can be separated.

Proposal No. 1: Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

The Company will make the transition to a company with an audit and supervisory committee to enhance the supervisory function of the Board of Directors and strengthen corporate governance, thereby further improving management transparency and enabling faster decision-making. Accordingly, the Company will make the necessary changes to the Articles of Incorporation of the Company, including the establishment of new provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members and the deletion of provisions concerning the Audit & Supervisory Board and Audit & Supervisory Board Members.

2. Details of the amendments

Details of the amendment to the Articles of Incorporation are as follows.

This Proposal shall become effective at the conclusion of this General Meeting of Shareholders.

(The parts to be amended are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>Chapter 1 General Provisions</p> <p>Article 1 to Article 2 (Omitted)</p> <p>(Location of the Head Office)</p> <p>Article 3 The Company's headquarters shall be located in <u>Yodogawa Ward</u>, Osaka City, Osaka.</p> <p>(Organization)</p> <p>Article 4 In addition to the Shareholders Meeting and Directors, the Company shall have the following organizations.</p> <p>(1) Board of Directors</p> <p>(2) Audit & Supervisory Board Members</p> <p>(3) <u>Audit & Supervisory Board</u></p> <p>(4) <u>Accounting Auditor</u></p> <p>(Method of Public Notice)</p> <p>Article 5 (Omitted)</p> <p>Chapter 2 Stocks</p> <p>Article 6 to Article 10 (Omitted)</p> <p>(Shareholder Registry Administrator)</p> <p>Article 11 The Company shall have a shareholder registry administrator.</p> <p>2 The shareholder registry administrator and his/her office shall be determined <u>by resolution of the Board of Directors</u> and public notice thereof shall be given.</p> <p>3 The Company shall entrust the preparation and keeping of the Company's shareholder registry and stock warrant registry, and other administrative matters related thereto to the shareholder registry administrator and shall not handle them by itself.</p>	<p>Chapter 1 General Provisions</p> <p>Article 1 to Article 2 (Unchanged)</p> <p>(Location of the Head Office)</p> <p>Article 3 The Company's headquarters shall be located in Osaka City, Osaka.</p> <p>(Organization)</p> <p>Article 4 In addition to the Shareholders Meeting and Directors, the Company shall have the following organizations.</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit and Supervisory Committee</u></p> <p><Deleted></p> <p>(3) <u>Accounting Auditor</u></p> <p>(Method of Public Notice)</p> <p>Article 5 (Unchanged)</p> <p>Chapter 2 Stocks</p> <p>Article 6 to Article 10 (Unchanged)</p> <p>(Shareholder Registry Administrator)</p> <p>Article 11 The Company shall have a shareholder registry administrator.</p> <p>2 The shareholder registry administrator and his/her office shall be determined <u>by the Board of Directors or the Executive Director delegated by resolution of the Board of Directors</u>, and public notice thereof shall be given.</p> <p>3 The Company shall entrust the preparation and keeping of the Company's shareholder registry and stock warrant registry, and other administrative matters related thereto to the shareholder registry administrator and shall not handle them by itself.</p>

Current Articles of Incorporation	Proposed amendments
<p>(Rules for Handling Shares)</p> <p>Article 12 The handling and fees for the Company's shares shall be governed by laws and regulations, the Articles of Incorporation, and the Rules for Handling Shares established <u>by the Board of Directors</u>.</p> <p>Chapter 3 Shareholders Meeting</p> <p>Article 13 to Article 18 (Omitted)</p> <p>Chapter 4 Directors and the Board of Directors (Number of Members)</p> <p>Article 19 The number of directors of the Company shall not exceed 13.</p> <p><Newly established></p> <p>(Election Method)</p> <p>Article 20 Directors of the Company shall be elected at the Shareholders Meeting.</p> <p>2 A resolution to elect directors shall be adopted by a majority of the voting rights of the shareholders at a Meeting where the shareholders holding not less than one-third of the voting rights of the shareholders entitled to exercise their voting rights are present.</p> <p>3 A resolution to elect directors shall not be by cumulative voting.</p> <p>(Term of Office)</p> <p>Article 21 The term of office of directors of the Company shall expire at the conclusion of the Annual Shareholders Meeting for the last business year ending within one year after their election.</p> <p><Newly established></p> <p><Newly established></p>	<p>(Rules for Handling Shares)</p> <p>Article 12 The handling and fees for the Company's shares shall be governed by laws and regulations, the Articles of Incorporation, and the Rules for Handling Shares established <u>by the Board of Directors or the Executive Director delegated from the resolution of the Board of Directors</u>.</p> <p>Chapter 3 Shareholders Meeting</p> <p>Article 13 to Article 18 (Unchanged)</p> <p>Chapter 4 Directors and the Board of Directors (Number of Members)</p> <p>Article 19 The number of Executive Directors of the Company <u>(excluding Executive Directors who are Audit and Supervisory Committee Members)</u> shall not exceed 13.</p> <p>2 <u>The number of Executive Directors who are Audit and Supervisory Committee Members of the Company (hereinafter referred to as "Audit and Supervisory Committee Members") shall not exceed four (4).</u></p> <p>(Election Method)</p> <p>Article 20 Executive Directors of the Company shall be elected <u>separately for Audit and Supervisory Committee Members and other Executive Directors</u> at the General Meeting of Shareholders.</p> <p>2 A resolution to elect Executive Directors shall be adopted by a majority of the voting rights of the shareholders at a Meeting where the shareholders holding not less than one-third of the voting rights of the shareholders entitled to exercise their voting rights are present.</p> <p>3 A resolution to elect Executive Directors shall not be by cumulative voting.</p> <p>(Term of Office)</p> <p>Article 21 The term of office of Executive Directors of the Company <u>(excluding Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one year after their election.</p> <p>2 <u>The term of office of Audit and Supervisory Committee Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within two years after their election.</u></p> <p>3 <u>The term of office of an audit & supervisory committee member who is elected as a substitute for an audit & supervisory committee member who retired before the expiration of his/her term of office shall continue until the expiration of the term of office of the retired audit & supervisory committee member.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>(CEO and Executive Directors)</p> <p>Article 22 The CEO of the Company shall be elected by resolution of the Board of Directors.</p> <p>2 One President shall be appointed by resolution of the Board of Directors. By resolution of the Board of Directors as necessary, the Company may appoint a few Executive Directors with special titles among Executive Directors.</p>	<p>(CEO and Executive Directors)</p> <p>Article 22 The CEO of the Company shall be elected by resolution of the Board of Directors <u>from Executive Directors who are not Audit and Supervisory Committee Members.</u></p> <p>2 The President & CEO of the Company shall be elected by resolution of the Board of Directors <u>from Executive Directors who are not Audit and Supervisory Committee Members.</u> By resolution of the Board of Directors as necessary, the Company may appoint a few Executive Directors with special titles among Executive Directors <u>who are not Audit and Supervisory Committee Members.</u></p>
<p>(Convener and Chairman of Board Meetings)</p> <p>Article 23 (Omitted)</p>	<p>(Convener and Chairman of Board Meetings)</p> <p>Article 23 (Unchanged)</p>
<p>(Notice of Convocation for Board Meetings)</p> <p>Article 24 A notice of convocation for a meeting of the Board of Directors of the Company shall be sent to each Director <u>and each Audit and Supervisory Board Member</u> at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.</p> <p>2 A meeting of the Board of Directors may be held without the convocation procedures if the consent of all Directors <u>and Audit and Supervisory Board Members</u> is obtained.</p>	<p>(Notice of Convocation for Board Meetings)</p> <p>Article 24 A notice of convocation for a meeting of the Board of Directors of the Company shall be sent to each Executive Director at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.</p> <p>2 A meeting of the Board of Directors may be held without the convocation procedures if the consent of all Executive Directors is obtained.</p>
<p>(Omission of Resolution of the Board of Directors)</p> <p>Article 25 (Omitted)</p> <p><Newly established></p>	<p>(Omission of Resolution of the Board of Directors)</p> <p>Article 25 (Unchanged)</p> <p><u>(Delegation of Decisions on Important Business Execution to Executive Directors)</u></p> <p>Article 26 Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the <u>Company may, by resolution of the Board of Directors, delegate all or part of decisions on important business execution (excluding matters listed in each item of Paragraph 5 of the same article) to Executive Directors.</u></p>
<p>(Rules for the Board of Directors)</p> <p>Article 26 (Omitted)</p>	<p>(Rules for the Board of Directors)</p> <p>Article 27 (Unchanged)</p>
<p>(Remuneration and Others)</p> <p>Article 27 Remuneration, bonuses, and other financial benefits <u>(hereinafter referred to as “remuneration and others”)</u> received from the Company as consideration for the execution of duties of directors of the Company shall be determined by resolution of the Shareholders Meeting.</p>	<p>(Remuneration and Others)</p> <p>Article 28 Remuneration, bonuses, and other financial benefits received from the Company as consideration for the execution of duties of Executive Directors of the Company shall be determined by resolution of the Shareholders Meeting <u>separately for Audit and Supervisory Committee Members and other Executive Directors.</u></p>

Current Articles of Incorporation	Proposed amendments
(Contract for Limitation of Liability for Non-executive Directors) Article <u>28</u> (Omitted)	(Contract for Limitation of Liability for Non-executive Directors) Article <u>29</u> (Unchanged)
Chapter 5 <u>Members and the Audit & Supervisory Board</u> (Number of Members) Article 29 <u>The number of audit & supervisory board members shall not exceed four.</u>	Chapter 5 <u>Audit and Supervisory Committee</u> <Deleted>
(Election Method) Article 30 <u>Audit & supervisory board members of the Company shall be elected at the Shareholders Meeting.</u> 2 <u>A resolution to elect audit & supervisory board members shall be adopted by a majority of the voting rights of the shareholders at a Meeting where the shareholders holding not less than one-third of the voting rights of the shareholders entitled to exercise their voting rights are present.</u>	<Deleted>
(Term of Office) Article 31 <u>The term of office of audit & supervisory board members of the Company shall expire at the conclusion of the Annual Shareholders Meeting for the last business year ending within four years after their assumption of office.</u> 2 <u>The term of office of an audit & supervisory board member who is elected as a substitute for a corporate auditor who retired before the expiration of his/her term of office shall continue until the expiration of the term of office of the retired audit & supervisory board member.</u>	<Deleted>
(Full-time <u>Audit & Supervisory Board Members</u>) Article 32 <u>The Audit & Supervisory Board shall elect full-time audit & supervisory board members by its resolution.</u>	(Full-time <u>Audit and Supervisory Committee Members</u>) Article 30 <u>The Audit and Supervisory Committee may elect full-time Audit and Supervisory Committee members by its resolution.</u>
(Notice of Convocation for <u>Board Meetings</u>) Article 33 <u>A notice of convocation for a meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.</u> 2 <u>A meeting of the Audit & Supervisory Board may be held without the convocation procedures if the consent of all Audit & Supervisory Board Members is obtained.</u>	(Notice of Convocation for <u>Audit and Supervisory Committee Meetings</u>) Article 31 <u>A notice of convocation for a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.</u> 2 <u>A meeting of the Audit and Supervisory Committee may be held without the convocation procedures if the consent of all Audit and Supervisory Committee Members is obtained.</u>
(Rules for the <u>Audit & Supervisory Board</u>) Article 34 <u>Matters concerning the Audit & Supervisory Board shall be governed by laws and regulations, the Articles of Incorporation, and the Rules for the Audit & Supervisory Board established by the Audit & Supervisory Board.</u>	(Rules for the <u>Audit and Supervisory Committee</u>) Article 32 <u>Matters concerning the Audit and Supervisory Committee shall be governed by laws and regulations, the Articles of Incorporation, and the Rules for the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u>

Current Articles of Incorporation	Proposed amendments
<u>(Remuneration and Others)</u>	<Deleted>
Article 35 <u>Remuneration and others for corporate auditors of the Company shall be determined by resolution of the General Meeting of Shareholders.</u>	<Deleted>
<u>(Contract for Limitation of Liability for External Audit & Supervisory Board Members)</u>	<Deleted>
Article 36 <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with an external audit & supervisory board member (excluding full-time audit & supervisory board members) stipulating that the Company shall bear the liability under Article 423, Paragraph 1 of the same Act, up to the total amount specified in each item of Article 425, Paragraph 1 of the same Act, if such audit & supervisory board member acts in good faith and without gross negligence.</u>	<Deleted>
Chapter 6 Calculations Article 37 to Article 40 (Omitted)	Chapter 6 Calculations Article 33 to Article 36 (Unchanged)
<Newly established>	<u>Supplementary Provisions</u> <u>(Transitional Measures Concerning Agreement to Limit Liability of Outside Audit & Supervisory Board Members)</u> Article 1 <u>An agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act in respect of the actions of Audit & Supervisory Board Members excluding full-time Audit & Supervisory Board Members (including former Audit & Supervisory Board Members other than full-time Audit & Supervisory Board Members) prior to the conclusion of the 18th Ordinary General Meeting of Shareholders shall be in accordance with Article 36 of the Articles of Incorporation prior to the change by resolution of the same Ordinary General Meeting of Shareholders.</u>

Proposal No. 2: Election of Nine (9) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the term of office of all nine (9) Executive Directors will expire at the conclusion of this General Meeting of Shareholders, and therefore the election of nine (9) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) is proposed.

This proposal shall become effective if Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” becomes effective.

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

Candidate No. 1

Kazuhiro Hatano (DOB: March 17, 1965) Reappointment

Number of the Company’s shares owned: 742,000

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1990	Joined Clinical Development Department of Maruho Co., Ltd.
July 1998	Joined Development Department of Meditech International Co., Ltd.
March 1999	Joined Development Unit of Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
September 2004	Director of Aurora Co., Ltd.
June 2005	Founded the Company, President & CEO and Representative Executive Director (current position)
February 2010	Head of Clinical Development Unit
September 2015	Head of Corporate Planning Office (current position)
December 2020	Head of Clinical Development Unit (current position)
July 2021	Head of Marketing Planning Office (current position)

Reasons for nomination as a candidate for Executive Director

Kazuhiro Hatano has been leading the management of the entire Group as a core founding member of the Company, backed by his extensive knowledge and experience in new drug development at a major Japanese pharmaceutical company, etc., formulating and executing strategies for medium- to long-term growth, promoting the globalization of our Group, as well as achieving satisfactory business results. The Company nominates him for election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his leadership.

Candidate No. 2

Keigo Tsujimoto (DOB: February 22, 1964) Reappointment

Number of the Company's shares owned: 1,024,200

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1986	Joined Osaka Branch of Dainippon Pharmaceutical Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)
August 1990	Joined Kano General Hospital of Heartfull Group
April 1993	Joined Development Department of Meditech International Co., Ltd.
June 1999	Joined Clinical Development Department of Shin Nippon Biomedical Laboratories, Ltd.
August 1999	Joined Clinical Development Department of EPS Corporation
September 2001	Joined Clinical Development Department of Senju Pharmaceutical Co., Ltd.
September 2002	Joined Development Department of Ferring Pharmaceuticals Co., Ltd.
December 2007	Executive Director of the Company
February 2008	Executive Vice President and Executive Director (current position)
July 2008	President & CEO of LINICAL USA, INC.
April 2009	Head of Quality Control Department of the Company
July 2011	Head of Global Business Development Office
September 2015	President & CEO of LINICAL Europe Holding GmbH Director of LINICAL USA, INC.
April 2018	Director of Linical Accelovance America, Inc.
December 2020	Head of Europe and U.S. Business of the Company (current position) Head of Global Business Unit (current position) Chairman & Director of LINICAL Europe Holding GmbH (current position) Chairman & Director of LINICAL USA, INC. (current position) Chairman & Director of Linical Accelovance America, Inc. (current position)
April 2021	Director of LINICAL KOREA CO., LTD. (current position) Director of LINICAL TAIWAN CO., LTD. (current position) Director of Linical China Co., Ltd. (current position)

Reasons for nomination as a candidate for Executive Director

Keigo Tsujimoto has been leading the Company's global strategy mainly as Head of Europe and U.S. Business of the Company, based on his extensive knowledge and experience in new drug development at foreign pharmaceutical companies, etc. The Company proposes his election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his abilities.

Candidate No. 3

Jun Kawai (DOB: October 26, 1968) Reappointment

Number of the Company's shares owned: 600,400

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1993	Joined Research Division, Nihon Schering K.K. (currently Bayer Yakuhin, Ltd.)
November 1996	Joined Development Department of Mediatech International Co., Ltd.
June 1999	Joined Development Division of SmithKline Beecham Co., Ltd. (currently GlaxoSmithKline K.K.)
July 2001	Joined Development Division of Shionogi & Co., Ltd.
September 2004	Director of Aurora Co., Ltd.
December 2005	Executive Director of the Company
April 2007	Deputy Director of Clinical Development Unit (Osaka)
April 2008	Executive Vice President and Executive Director
May 2013	President & CEO of LINICAL TAIWAN CO., LTD. CEO of LINICAL KOREA CO., LTD.
June 2013	Executive Vice President and Executive Director of the Company
June 2016	Supervisory Director of the Asian Region Executive Vice President and Executive Director (current position)
July 2017	Head of Quality Control (QC) Unit Director of LINICAL TAIWAN CO., LTD.
May 2019	President & CEO of Linical China Co., Ltd.
July 2019	Director of LINICAL KOREA CO., LTD.
December 2019	President & CEO of LINICAL TAIWAN CO., LTD.
December 2020	Director of U.S. Business of the Company
May 2021	Director, President & CEO of LINICAL USA, INC. Director, President & CEO of Linical Accelovance America, Inc.
December 2022	Director of U.S. Business of the Company
January 2023	Director of Europe Business Director & CEO of LINICAL Europe Holding GmbH (current position)

Reasons for nomination as a candidate for Executive Director

Jun Kawai has been leading the Company's global strategy based on his extensive knowledge and experience in new drug development at a major Japanese pharmaceutical company, etc., through his experience as General Manager of the Company's Quality Control Division, and being in charge of Asia. After heading the U.S. business from May 2021, he has led the Europe business from January 2023. The Company nominates him for election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his leadership.

Candidate No. 4

Akihiro Takahashi (DOB: November 13, 1967) Reappointment

Number of the Company's shares owned: 741,600

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1990	Joined Research Division of Toyama Chemical Co., Ltd.
March 1995	Master's degree at the Graduate School of Medical Sciences at the University of Tsukuba
April 1995	Joined Development Department of Meditech International Co., Ltd.
March 1999	Joined Development Unit of Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
September 2004	Director of Aurora Co., Ltd.
June 2005	Founded the Company, Executive Vice President and Executive Director
April 2007	Executive Vice President and Executive Director (current position) Chief Financial Officer (CFO) (current position) and Director of Administrative Department
April 2009	Head of Administrative Unit (current position)
May 2013	Director of LINCAL TAIWAN CO., LTD. Director of LINCAL KOREA CO., LTD. (current position)
May 2019	Director of Lincal China Co., Ltd. (current position)
November 2019	Chief Information Officer (CIO)
December 2020	Director of LINCAL TAIWAN CO., LTD. (current position)

Reasons for nomination as a candidate for Executive Director

Akihiro Takahashi has a deep knowledge of the Company's business due to his extensive knowledge and experience in new drug development at major domestic pharmaceutical companies, etc., and has a track record of handling overall management operations such as general affairs and accounting of the entire Group as the Head of Administrative Unit as a core founding member of the Company. The Company proposes his election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his abilities.

Candidate No. 5

Masaya Miyazaki (DOB: November 16, 1971) Reappointment

Number of the Company's shares owned: 600,200

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1996	Joined Development Department of Meditech International Co., Ltd.
August 1999	Joined Development Unit of Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
March 2003	Joined Development Division of Ferring Pharmaceuticals Co., Ltd.
June 2006	Executive Director of the Company
April 2007	Deputy Head of Clinical Development Unit (Tokyo)
June 2013	Executive Vice President and Executive Director (current position)
January 2017	Head of Global Business Development Office
July 2017	Head of Clinical Development Unit
January 2019	Head of Global Business Development Unit
May 2019	Director of Linical China Co., Ltd.
July 2019	Director of LINICAL KOREA CO., LTD. (current position)
January 2020	Director of LINICAL TAIWAN CO., LTD.
December 2020	Head of Asia Business of the Company (current position)
	President & CEO of LINICAL TAIWAN CO., LTD. (current position)
	President & CEO of Linical China Co., Ltd. (current position)

Reasons for nomination as a candidate for Executive Director

Masaya Miyazaki had served as Head of Clinical Development Unit and Head of Global Business Development Unit of the Company, and has been leading the Company's Asian business since December 2020, based on his extensive knowledge and experience in new drug development at major domestic pharmaceutical companies, etc. The Company proposes his election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his abilities.

Candidate No. 6

Isao Sakamoto (DOB: March 25, 1976) Reappointment

Number of the Company's shares owned: 735,800

Career summary, position and responsibility at the Company (significant concurrent positions)

April 2000	Joined Development Unit of Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
July 2005	Joined the Company
October 2005	Audit & Supervisory Board Member of Aurora Co., Ltd.
June 2007	Executive Director (current position)
July 2008	Executive Director of LINICAL USA, INC.
May 2013	Director of LINICAL TAIWAN CO., LTD. Director of LINICAL KOREA CO., LTD.
July 2015	Head of Oncology Business Unit
September 2015	President & CEO of LINICAL USA, INC.
April 2017	Head of Global Business Development Unit
April 2018	Chairman & President of Linical Accelovance America, Inc.
July 2018	Chairman, President & CEO of LINICAL USA, INC. Chairman, President & CEO of Linical Accelovance America, Inc.
August 2019	Head of Oncology Business Unit of Clinical Development Unit of the Company
December 2020	Director of Europe Business Director, President & CEO of LINICAL USA, INC. Director, President & CEO of Linical Accelovance America, Inc.
May 2021	Director & CEO of LINICAL Europe Holding GmbH
November 2022	Director of Europe Business
January 2023	Director, President & CEO of LINICAL USA, INC. (current position) Director, President & CEO of Linical Accelovance America, Inc. (current position)

Reasons for nomination as a candidate for Executive Director

Isao Sakamoto has rebuilt the U.S. business as Chairman, President & CEO of LINICAL USA, INC. and Chairman, President & CEO of Linical Accelovance America, Inc., based on his extensive knowledge and experience in new drug development at major domestic pharmaceutical companies. Since May 2021, he has led the Europe business as Director & CEO of LINICAL Europe Holding GmbH. After that, since January 2023, he has been leading the U.S. business again as Director, President & CEO of LINICAL USA, INC. and Director, President & CEO of Linical Accelovance America, Inc. As such, he has been leading the global strategy of the Company. The Company proposes his election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having him continuously demonstrate his abilities.

Candidate No. 7

Shiori Yamaguchi (DOB: November 11, 1975) Reappointment

Number of the Company's shares owned: 80,800

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1998	Joined Omichi Hospital of Omichikai-Group
April 2000	Joined Development Unit of Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.) (temporary employee)
July 2003	Joined EP-Link Co., Ltd. (currently EP-Sogo Co., Ltd.)
September 2004	Joined Aurora Co., Ltd.
June 2005	Audit & Supervisory Board Member of the company
October 2005	Director of Aurora Co., Ltd.
June 2007	Joined the Company, Head of Audit Office (current position)
June 2009	Executive Director (current position)
	Chief Compliance Officer (CCO) (current position)

Reasons for nomination as a candidate for Executive Director

Shiori Yamaguchi has a deep knowledge of the Company's business due to her extensive knowledge and experience in new drug development at major domestic pharmaceutical companies, etc., and has a track record of establishing an internal control system as the Company's Chief Compliance Officer (CCO). The Company proposes her election as an Executive Director in order to realize business growth and enhance corporate value of the Group by having her continuously demonstrate her abilities.

Candidate No. 8

Eri Sugiyama (DOB: July 10, 1975) New Outside Independent Officer

Number of the Company's shares owned: 0

Career summary, position and responsibility at the Company (significant concurrent positions)

October 2001	Registered as an attorney (Osaka Bar Association) Joined Habataki Law Office
November 2008	Joined the Financial Services Agency (fixed-term staff) Financial Securities Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency
January 2010	Specialist Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency
June 2010	Special Inspector, Inspection Coordination Division, Inspection Bureau, and Assistant Director, Policy and Legal Division, Planning and Coordination Bureau, Financial Services Agency
December 2010	Resigned from the Agency
July 2013	Partner, Habataki Law Office (current position)
June 2018	Outside Audit & Supervisory Board Member of ShinMaywa Industries, Ltd. (current position)
April 2022	Professor of Legal Practice, Graduate School of Law, Kobe University (current position)

Reasons for nomination as a candidate for Outside Executive Director and expected roles

Eri Sugiyama has a high level of knowledge of laws as well as a deep knowledge of corporate legal affairs based on her extensive practical experience as an attorney. The Company has determined that she will supervise the Company in an objective and fair manner from a legal perspective and will give useful advice to the Board of Directors, and therefore nominated her as a candidate for Outside Executive Director.

Candidate No. 9

Satoko Nishimura (DOB: January 14, 1967) New Outside Independent Officer

Number of the Company's shares owned: 0

Career summary, position and responsibility at the Company (significant concurrent positions)

October 1989	Joined Asahi Shinwa Accounting Firm (currently KPMG AZSA LLC)
August 1993	Registered as a certified public accountant
March 2001	Established Satoko Nishimura Certified Public Accountant Office and assumed the position of Representative (current position)
October 2002	Registered as a certified public tax accountant Established Satoko Nishimura Certified Public Tax Accountant Office and assumed the position of Representative (current position)
February 2023	Outside Director (Audit and Supervisory Committee Member) of Zojirushi Corporation (current position)

Reasons for nomination as a candidate for Outside Executive Director and expected roles

Satoko Nishimura has expertise and experience as a certified public accountant and tax accountant and has considerable knowledge of finance and accounting. The Company expects her to use her extensive experience and expertise to strengthen the Company's supervisory structure, and therefore nominated her as a candidate for Outside Executive Director.

- (Notes)
1. Eri Sugiyama and Satoko Nishimura are candidates for Outside Executive Directors.
 2. The Company plans to appoint Eri Sugiyama and Satoko Nishimura as Independent Officers as set forth by Tokyo Stock Exchange, Inc.
 3. Although Eri Sugiyama and Satoko Nishimura have never been involved in corporate management other than serving as an outside director or an outside audit and supervisory board member, for the above reasons, the Company has determined that they will be able to appropriately perform their duties as an Outside Executive Director.
 4. The name of Eri Sugiyama on the family register is Eri Shingu.
 5. There is no special interest between each of the candidates and the Company.
 6. If the election of Eri Sugiyama and Satoko Nishimura is approved, the Company plans to enter into a liability limitation agreement with them to limit their liability for damages to the amount stipulated by laws and regulations in accordance with the Articles of Incorporation of the Company.
 7. The Company and an insurance company have entered into a directors' and officers' liability insurance contract as prescribed in Article 430-3, paragraph 1 of the Companies Act to cover legal damages and expenses for litigation in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured based on his or her status under the insurance contract. An outline of the contents of the D&O Insurance is as described in the business report. If each candidate is elected as an Executive Director and assumes office, he or she shall be the insured under the relevant insurance contract. The policy is scheduled to be renewed with the same content at the next renewal.

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

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the election of three (3) Executive Directors who are Audit and Supervisory Committee Members is proposed.

This proposal has been approved in advance by the Audit & Supervisory Board.

This proposal shall become effective if Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” becomes effective.

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

Candidate No. 1

Yoshiaki Nakashima (DOB: March 19, 1955) ☒New ☒Outside ☒Independent Officer

Number of the Company’s shares owned: 0

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1978	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
June 2001	Director of Human Resources Department of Fujisawa Pharmaceutical Co., Ltd.
April 2005	Director in charge of Human Resources Department of Astellas Pharma Inc.
April 2007	Chief of Secretarial Office of Astellas Pharma Inc.
April 2008	Vice President, Head of Human Resources Department of Astellas Pharma Inc.
June 2009	Executive Officer and Director of Human Resources Department of Astellas Pharma Inc.
June 2013	Executive Officer and General Manager of Human Resources Division of DAISO CO., LTD. (currently OSAKA SODA CO., LTD.)
April 2015	Executive Officer and General Manager of Human Resources Division and Director of Corporate Planning Department, Corporate Strategy Division of DAISO CO., LTD.
April 2016	Executive Officer and General Manager of Human Resources Division and Director of Human Resources Development Department, Human Resources Division and Director of Corporate Planning Department, Corporate Strategy Division of OSAKA SODA CO., LTD.
April 2017	Executive Officer Director in charge of Human Resources Division and Corporate Planning Department, Corporate Strategy Division of OSAKA SODA CO., LTD.
June 2017	Full-time Audit & Supervisory Board Member of the Company (current position)
July 2019	Audit & Supervisory Board Member of LINICAL TAIWAN CO., LTD. (current position) Audit & Supervisory Board Member of LINICAL KOREA CO., LTD. (current position)
December 2019	Audit & Supervisory Board Member of Linical China Co., Ltd. (current position)

Reasons for nomination as a candidate for Outside Executive Director who is an Audit and Supervisory Committee Member and expected roles

Yoshiaki Nakashima has experience at Astellas Pharma Inc. and OSAKA SODA CO., LTD. as an executive officer, primarily leading human resources departments. The Company proposes his election as an Outside Executive Director who is an Audit and Supervisory Committee Member in order to reflect his abundant experience and knowledge gained at these companies in the Company’s audit operations.

Candidate No. 2

Yuichi Murakami (DOB: August 23, 1957) New Outside Independent Officer

Number of the Company's shares owned: 0

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1981	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
April 2011	Vice President, Head of Accounting & Tax Department of Astellas Pharma Inc.
June 2013	Vice President, Head of Accounting & Tax Department of Astellas Pharma Inc. and Audit & Supervisory Board Member of Amgen Astellas BioPharma KK (currently Amgen Inc.)
July 2017	Joined Marvelous Inc.
October 2017	Director of Accounting and Finance Department, Administration Division of Marvelous Inc.
November 2017	Audit & Supervisory Board Member of G-Mode Corporation
July 2020	Full-time Audit & Supervisory Board Member of the Company (current position)

Reasons for nomination as a candidate for Outside Executive Director who is an Audit and Supervisory Committee Member and expected roles

Yuichi Murakami has experience of leading accounting and finance departments at major domestic pharmaceutical companies and has served as an audit and supervisory board member of their associated companies, and he has considerable knowledge of finance and accounting. The Company proposes his election as an Outside Executive Director who is an Audit and Supervisory Committee Member in order to reflect his abundant experience and knowledge gained at other companies in the Company's audit operations.

Candidate No. 3

Yoshimitsu Ando (DOB: November 5, 1958) New Outside Independent Officer

Number of the Company's shares owned: 0

Career summary, position and responsibility at the Company (significant concurrent positions)

April 1982	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
January 2009	Vice President, Head of Clinical Development Department II, Development Division of Astellas Pharma Inc.
October 2011	Corporate Vice President in charge of Development Division of Toyama Chemical Co., Ltd.
June 2012	Senior Vice President, Head of Development Division and Deputy Head of Business Strategy Office of Toyama Chemical Co., Ltd.
April 2013	Senior Vice President, Head of Clinical Development Office of Toyama Chemical Co., Ltd.
June 2015	Executive Director and Senior Vice President, Head of Clinical Development Office of Toyama Chemical Co., Ltd.
April 2017	Executive Director and Senior Vice President and Assistant to the President and Head of Clinical Development Office of Toyama Chemical Co., Ltd.
October 2018	Executive Director and Senior Vice President, Head of Development Division of FUJIFILM Toyama Chemical Co., Ltd.
July 2021	Full-time Audit & Supervisory Board Member of the Company (current position)

Reasons for nomination as a candidate for Outside Executive Director who is an Audit and Supervisory Committee Member and expected roles

Yoshimitsu Ando has experience of leading the Clinical Development Office as an Executive Director at Toyama Chemical Co., Ltd., and of leading the Development Division as an Executive Director at FUJIFILM Toyama Chemical Co., Ltd. The Company requests his election as an Outside Executive Director who is an Audit and Supervisory Committee Member in order to reflect his abundant experience and knowledge gained at these companies in the Company's audit operations.

- (Notes)
1. Yoshiaki Nakashima, Yuichi Murakami and Yoshimitsu Ando are candidates for Outside Executive Directors who are Audit and Supervisory Committee Members.
 2. The Company registered Yoshiaki Nakashima, Yuichi Murakami and Yoshimitsu Ando as Independent Officers with Tokyo Stock Exchange, Inc.
 3. The term of office of Yoshiaki Nakashima as an Outside Audit and Supervisory Board Member will be six (6) years at the conclusion of this General Meeting of Shareholders. The term of office of Yuichi Murakami as an Outside Audit and Supervisory Board Member will be two (2) years and 11 months at the conclusion of this General Meeting of Shareholders. The term of office of Yoshimitsu Ando as an Outside Audit and Supervisory Board Member will be one (1) year and 11 months at the conclusion of this General Meeting of Shareholders.
 4. There is no special interest between each of the candidates and the Company.
 5. The Company and an insurance company have entered into a directors' and officers' liability insurance contract as prescribed in Article 430-3, paragraph 1 of the Companies Act to cover legal damages and expenses for litigation in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured based on his or her status under the insurance contract. An outline of the contents of the D&O Insurance is as described in the business report. If each candidate is elected as an Executive Director who is Audit and Supervisory Committee Member and assumes office, he or she shall be the insured under the relevant insurance contract. The policy is scheduled to be renewed with the same content at the next renewal.
 6. The name of Yoshiaki Nakashima on the family register is Yoshiaki Nakashima (the first name has different kanji).

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

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will make the transition to a company with an audit and supervisory committee. Accordingly, in case the number of Executive Directors who are Audit and Supervisory Committee Members falls short of the number required by laws and regulations, the advance election of one (1) Substitute Executive Director who is an Audit and Supervisory Committee Member is proposed.

The election may be revoked only prior to the assumption of office by resolution of the Board of Directors, upon obtaining consent of the Audit and Supervisory Committee

This proposal has been approved in advance by the Audit & Supervisory Board.

This proposal shall become effective if Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” becomes effective.

The candidate for Substitute Executive Director who is an Audit and Supervisory Committee Member is as follows.

Kyoichi Shimomura (DOB: January 15, 1944) New Outside Independent Officer

Number of the Company’s shares owned: 4,500

Career summary and position at the Company (significant concurrent positions)

April 1971	Joined Fujisawa Pharmaceutical Co., Ltd. (currently Astellas Pharma Inc.)
April 1993	Director of Development Institute I
July 1996	Director of Tsukuba Research Laboratories and Director of Exploratory Research Laboratories
October 1998	Senior Researcher of Institute of Pharmacology of Fujisawa Pharmaceutical Co., Ltd.
December 1998	Director and General Manager of Development Research Division of Santen Pharmaceutical Co., Ltd.
July 1999	Executive Officer and General Manager of Development Research Division
December 2002	Executive Officer and General Manager of Development Research Center
December 2004	Retired from Santen Pharmaceutical Co., Ltd.
April 2005	Professor of School of Pharmacy of Shujitsu University
April 2009	Part-time Lecturer of School of Pharmacy of Shujitsu University
January 2010	Advisor of the Company
June 2020	Audit & Supervisory Board Member of the Company

Reasons for nomination as a candidate for Substitute Outside Executive Director who is an Audit and Supervisory Committee Member and expected roles

Kyoichi Shimomura has experience leading the research and development of new drugs as Director of Research Laboratories and Executive Officer of the Development Research Center at major Japanese pharmaceutical companies. The Company proposes his election as Substitute Outside Executive Director who is an Audit and Supervisory Committee Member in order to reflect his abundant experience and knowledge gained at other companies in the Company’s audit operations.

- (Notes)
1. There is no special interest between Kyoichi Shimomura and the Company.
 2. Kyoichi Shimomura is a candidate for Substitute Outside Executive Director who is an Audit and Supervisory Committee Member. If he assumes office as Executive Director who is an Audit and Supervisory Committee Member, the Company plans to appoint Kyoichi Shimomura as Independent Officer as set forth by Tokyo Stock Exchange, Inc.
 3. If the election of Kyoichi Shimomura as Executive Director who is an Audit and Supervisory Committee Member is approved, the Company plans to enter into a liability limitation agreement with him to limit his liability for damages to the amount stipulated by laws and regulations in accordance with the Articles of Incorporation of the Company.
 4. The Company and an insurance company have entered into a directors’ and officers’ liability insurance contract as prescribed in Article 430-3, paragraph 1 of the Companies Act to cover legal damages and expenses for litigation in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured based on his or her status under the insurance contract. An outline of the contents of the D&O Insurance is as described in the business report. If the candidate assumes office as Executive Director who is an Audit and Supervisory Committee Member, he shall be the insured under the relevant insurance contract.

Proposal No. 5: Determination of Remuneration Amount for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)

At the 2nd Ordinary General Meeting of Shareholders held on June 27, 2007, it was resolved that the amount of remuneration for Executive Directors of the Company would be no more than 800 million yen per year (however, employee salaries are not included).

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will soon make the transition to a company with an audit and supervisory committee.

Accordingly, in line with the transition to a company with an audit and supervisory committee, in order to set a new remuneration amount for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members), the Company proposes to abolish the current provisions on the amount of remuneration for Executive Directors and, in consideration of various circumstances such as the economic situation, set the amount of remuneration for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) at no more than 500 million yen per year (of those, no more than 30 million yen per year for Outside Executive Directors).

In addition, in line with the transition to a company with an audit and supervisory committee, which is subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company plans to change the “Policy on Determining the Details of Remuneration of Individual Executive Directors” in the business report at the meeting of the Board of Directors after this General Meeting of Shareholders. This will make it consistent with the content approved by this proposal and encourage members to seek the sustainable growth of the Group based on its corporate philosophy and the enhancement of its corporate value over the medium to long term.

This proposal is considered to be reasonable because it is necessary to determine the remuneration for individual Executive Directors according to the Policy and because it determines the limit of remuneration for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) within a reasonable extent by taking into consideration factors such as economic conditions, the size of the Company, the number of Executive Directors and the level of remuneration at other companies.

The amount of remuneration for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) shall not include the employee salaries of Executive Directors who also serve as employees. If Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” and Proposal No. 2, “Election of Nine (9) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members),” are approved and passed as proposed, there will be nine (9) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) including two (2) Outside Executive Directors.

This proposal shall become effective if Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” becomes effective.

Proposal No. 6: Determination of Remuneration Amount for Executive Directors Who Are Audit and Supervisory Committee Members

Subject to the approval of Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” the Company will make the transition to a company with an audit and supervisory committee.

Accordingly, in line with the transition to a company with an audit and supervisory committee, the Company proposes to set the amount of remuneration for Executive Directors who are Audit and Supervisory Committee Members at no more than 80 million yen per year in light of the duties and responsibilities of Executive Directors who are Audit and Supervisory Committee Members.

This proposal is considered to be necessary and reasonable because it determines the limit of remuneration for Executive Directors who are Audit and Supervisory Committee Members within a reasonable extent by taking into consideration responsibilities of Executive Directors who are Audit and Supervisory Committee Members and the level of remuneration for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members).

If Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” and Proposal No. 3, “Election of Three (3) Executive Directors Who Are Audit and Supervisory Committee Members,” are approved and passed as proposed, there will be three (3) Executive Directors who are Audit and Supervisory Committee Members.

This proposal shall become effective if Proposal No. 1, “Partial Amendment to the Articles of Incorporation,” becomes effective.