Balanced growth investment and financial soundness

To promote sustainable growth and sound management, we will work to achieve growth through the stable supply of generics in Japan and the improvement of return on invested capital (ROIC). We have set ROIC as a new financial target, and we will work to improve operating profit and strengthen investment project management with the aim of achieving ROIC above weighted average cost of capital (WACC).

- Achieve further growth through contribution to stable supply of generics in Japan
- Improve return on invested capital (ROIC) in consideration of capital costs

Sustainable growth and sound management

Targets during the med-term business plan — Realization of ROIC above weighted average cost of capital (WACC)

Improvement in operating income	Mechanism for selecting investments	Returns to Shareholders	Financial soundness
Increase sales volume and improve sales mix Optimize cost of sales and SG&A expenses	Strengthen investment project management based on investment criteria, taking the cost of capital into account, by newly established investment committee	Pay stable dividends Further expand returns in consideration of profitability and financial condition	Improve financial condition by repaying interest-bearing debts

Continuous dialogue with stakeholders

Net Sales (Final year)

[Consolidated]
Achievement of
JPY 300.0 billion
[Non-consolidated]
Achievement of
JPY 200.0 billion

- Annual sales target achieved

Operating Income (cumulative)

[Consolidated]
JPY 68.0 billion
or more

- Achievement of cumulative operating Income to invest in sustainable growth and return profits to shareholders

ROIC* (Final year)

[Consolidated]
6%
or more (with influence of goodwill)
7%
or more (without influence of goodwill)

- Achievement of ROIC* exceeding WACC

R&D Expenditure (cumulative)

[Consolidated]
JPY 55.0 billion
or more

- Lineup of needed products and improvement/upgrading of products based on the requests from medical institutions and patients

Capital investment (cumulative)

[Consolidated]
JPY 60.0 billion
or more

- Investment to strengthen and improve efficiency of production facilities and logistic functions for maintaining and strengthening quality assurance and stable supply

Dividend Policy

Implementation of stable dividends

- Ensuring stable dividends and returning profits to shareholders through improved corporate value

*ROIC: Operating Income after tax / invested capital (total equity and interest-bearing debt)
External disclosure with influence of goodwill
Internal control without influence of goodwill

Towa Group's Sustainability

Approach toward sustainability

Now that the volume share of generics has reached about 80%, we believe that it is our social responsibility to strive for a more stable product supply and to further improve the quality of our products. Accordingly, we will thoroughly implement product management and quality control. At the same time, we are committed to contributing to building a foundation for the creation of an ideal local society through new businesses and regions, providing necessary services to promote health to those who need such services, and thereby contributing to extension of healthy life expectancy.

Under such policies, in order to develop a long-term vision for major changes in the future while integrating all of the strengths of the Group, it is necessary for each business or company to define the goals that they should aim for, for each company to become an autonomous organization to discover new social issues, and for us to use the collective strengths of the Group to solve such issues. We will aim to realize the Company's vision, "We contribute to people's health. We are dedicated to people's genuine smiles."

As a group governance system to realize the foregoing, the Risk Management Committee (chief risk officer: Itsuro Yoshida, President and Representative Director), which is consulted by the Board of Directors regarding risks including climate change, collects and analyzes information in collaboration with departments and affiliate companies. It then examines expected risks (including opportunities related to climate change) and initiatives related thereto. The Board of Directors receives reports from the Risk Management Committee on the status of this examination twice a year, determines the policies, and supervises the Committee.

In addition, the Executive Strategy Meeting chaired by President and Representative Director Itsuro Yoshida, meets once a week in principle and deliberates on important items related to management issues. The Meeting deliberates on our management policies and the Medium-term Business Plan including personnel measures and clearly defines the basic strategies and management targets.

Towa Group's Sustainability Policy

4 Continue promoting technology innovations
Create corporate culture for fostering innovations

3 Respect each employee
Realize employees' happiness through job satisfactions
Respect diverse values

2 Conduct eco-friendly operations
Conduct environmentally friendly operations

1 Enhance corporate fundamentals

PROACTIVE	Maintain and improve people's health by providing products and services	Pursue Towa Quality for safety and security	Contribute to local communities
Realize autonomous management and create synergies	Thoroughly pursue compliance	Enhance corporate governance	Build up trust with all stakeholders

In formulating a sustainability policy, we identified important issues that we need to engage in based on social issues and changes. Next, these issues were mapped on two axes based on their importance to society and their importance to the Towa Group and categorized into four themes. We will strengthen the business foundation, make considerations for the global environment, and continue the challenge of technology innovation while valuing each and every employee, and in doing so the Towa Group will work to bring about a sustainable society.

Environment

Basic approach

We act based on the principles in “the Charter of Corporate Behaviors in Towa Group” with high ethical standards and social good sense to promote proper corporate activities enabling us to gain trust and support from society. In our action, we strive to reduce global environmental load as part of our social responsibility as a good corporate citizen.

Concretely, we are dedicated not only to proper management of chemical substances and prevention of pollution, but also to actions for alleviating environmental concerns through plant drainage and emission systems, and taking energy-saving and decarbonization measures through effective uses of mega solar systems. Furthermore, we are aggressively working to achieve an eco-friendly manufacturing method of APIs.

Contributing to a Decarbonized Society through Our Business

Efforts to counter problems related to the global environment and safety and health of our employees are part of our important management issues, and based on the Towa Group Environmental, Health, and Safety Policy formulated in FY2023, we are promoting activities that make considerations for the global environment and workplace safety. The Environment, Health and Safety Management Department supervises the entire Group in three areas, namely, environmental management and the global environment; chemical substance management; and occupational health and safety.

In the area of environmental management and the global environment, the department plays a central role in TCFD-related projects, and discloses information related to climate change-related risks and profit-making opportunities associated with global warming. In the area of chemical substance management, it has formulated company-wide rules related to issues such as appropriate management and legal compliance of chemical substances used in plants and laboratories, and prevention of exposure to highly potent compounds. In the area of occupational health and safety, it is working to establish a framework and provide education to prevent recurrence of occupational accidents.

Information disclosure based on the TCFD recommendations

The Group recognizes that global warming is a worldwide issue, and thus has long been working on initiatives such as installation of solar power generation systems and energy saving at its plants, laboratories, offices, etc. In addition, in the recognition that climate change is a management risk of the Group, we launched a TCFD (Task Force on Climate-related Financial Disclosures) project and commenced company-wide initiatives in FY2022.

The Towa Group announced in December 2022 its support for the TCFD recommendations established by the Financial Stability Board (FSB). Since FY2022, examination has been conducted with a single entity of Towa as the scope of the examination. We assessed and identified risks and opportunities posed by climate change issues on society and corporations, and estimated the level of impact on Towa’s businesses. In FY2023, the scope was expanded to include all of the Towa Group, both domestic and overseas. Risks and opportunities were reviewed and impact levels reassessed.

In the future, we will contribute to the creation of a sustainable society by reflecting specific countermeasures against risks and opportunities that have been materialized to our strategies, and aim to achieve continuous growth of the Company’s businesses.

Governance

Organizational structure and processes

The TCFD Subcommittee was established as a subcommittee under the Risk Management Committee and responds to climate change-related issues. The Board of Directors consults the Risk Management Committee, determines their policies, and supervises the Committee.

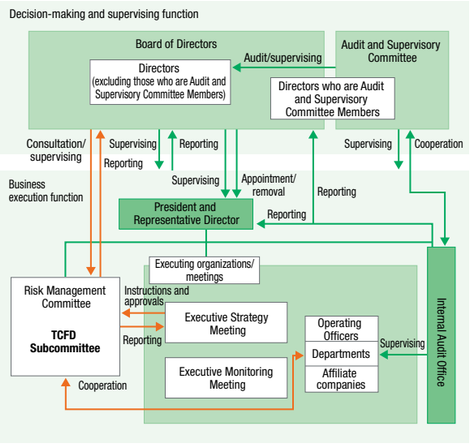
The Risk Management Committee deliberates on the status of initiatives undertaken by the TCFD Subcommittee, and reports to the Board of Directors on the status twice a year.

The TCFD Subcommittee collects and analyzes information in collaboration with departments and affiliate companies, identifies and assesses expected risks and opportunities related to climate change, and reviews the assessment. In addition, the Subcommittee formulates the action plans, countermeasures, etc., checks and follows up on the status of implementation on a periodic basis, and reports the status of implementation to the Executive Strategy Meeting as appropriate. Furthermore, it reports each important matter to Risk Management Committee members.

Departments and affiliate companies implement various measures that are formulated in collaboration with the TCFD Subcommittee, and provide data related to climate change.

The Executive Strategy Meeting receives reports from the TCFD Subcommittee as appropriate and issues instructions and approvals when necessary.

The Audit and Supervisory Committee and the Internal Audit Office conduct audits on these initiatives.



Strategies

Assumptions for scenario analysis

The Group conducted a scenario analysis for the manufacturing and sales business, etc. of its ethical drugs, assuming global conditions as of 2030. In the scenario analysis, we formulated three scenarios, namely for 1.5°C, 2°C, and 4°C, referring to various reports issued by IPCC, IEA*, etc. In the 1.5°C scenario, it is assumed that various regulations, including a carbon tax, will be introduced to realize a decarbonized society and there will be increasing demands from various stakeholders to respond to climate change, while new needs may arise due to changes in society and lifestyles. In the 4°C scenario, it is assumed that the progress of global warming will increase the risk of disasters such as extreme heavy rainfall and health risks such as heat stroke, while new needs may also arise for adaptation to climate change.

Results of scenario analysis

We identified risks and opportunities based on each scenario, assessed the criticality on the businesses depending on the likelihood of occurrence and the level of impact of each risk and opportunity, and considered countermeasures. As a result, no serious business risks associated with climate change were identified in the businesses subject to the analysis. Risks and opportunities expected in the 1.5°C scenario and the 4°C scenario are as listed in the following page.

*IPCC: Intergovernmental Panel on Climate Change
IEA: International Energy Agency

Scenario analysis

Scope of calculation: TOWA PHARMACEUTICAL CO., LTD., J-Dolph Co., Ltd., Daichi Kasei Co., Ltd., Greencaps Pharmaceutical Co., Ltd., Towa Pharma International Holdings, S.L., and Sunsho Pharmaceutical Co., Ltd.

Period subject to analysis: FY2021-FY2030

	Item	Event	Business impact	Countermeasure	Level of impact
Transition Risk and opportunity 1.5°C scenario	Policy	Introduction of a carbon tax	[Risk] An increase in business operating costs due to higher carbon tax burden	•Implementation of evaluation, factor analysis, measures to control frequency of CO_2 emissions •Introduction of low-carbon facilities and energy-saving equipment •Establishment of manufacturing methods with low environmental load	Medium
		Tightening of regulations for CO_2 emissions/ energy saving	[Risk] An increase in energy procurement costs associated with a shift to energy with less environmental load		Low
			[Opportunity] Promotion of energy saving, reduction of business costs by reviewing supply chains, and promotion of decarbonization		Medium
	Technology	Promotion of decarbonization of entire society	[Risk] An increase in capital investment costs to promote decarbonization	•Collection of information and introduction of various decarbonization technologies (while investment costs are incurred, subsequent business operating costs are reduced)	Low
	Market		[Risk] An increase in costs for procuring raw materials due to promotion of decarbonization at suppliers	•Risk hedge by securing multiple suppliers •Conducting risk assessment related to raw material procurement	Low
Physical Risk and opportunity 4°C scenario	Acute	Increases in frequency and magnitude of meteorological disasters	[Risk] Suspension of operations due to damage to company-owned locations and/or supply chains	•Establishment of a backup system among business sites •Operation of a crisis management system in preparation for meteorological disasters	Low
	Chronic	An increase in extreme weather (extremely hot days, etc.)	[Risk] An increase in air conditioning costs, etc. for quality control	•Introduction of energy-saving facilities	Low
			[Opportunity] An increase in demand for drugs for diseases increasing with climate change	•Development and launch of products with an eye on trends in demand for pharmaceutical products	Low
			[Opportunity] Establishment of competitive advantage by leveraging proprietary technologies and an increase in demand for value-added products	•Strengthening of information disclosure •Diversification of sales channels and user contact points	Low

Risk Management

The TCFD Subcommittee conducts an annual review of the risk and opportunity assessment to manage climate change-related risks and opportunities.

Risks and opportunities are assessed from such perspectives as the likelihood of occurrence, level of impact, presence or absence of countermeasures, respectively, to determine the criticality.

In addition, we also subdivide them into value chains* to assess them and consider countermeasures.

When assessing risks and opportunities, we conduct interviews with relevant business departments as necessary.

Those with high criticality are reviewed by the Risk Management Committee and reported to the Board of Directors through the Risk Management Committee as necessary.

In addition, the TCFD Subcommittee formulates countermeasures against climate change-related risks and opportunities and manages the progress of such countermeasures based on preset indicators.

*Value chains:
Value chains are a classification of businesses by function, and the Company categorizes businesses into “R&D; Purchase/Procurement; Manufacturing; Distribution; Sales/Marketing; and Administration Management.”

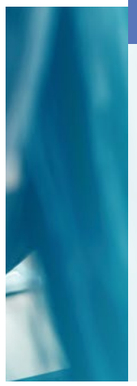
Indicators and Targets

The Group has calculated greenhouse gases emissions as an indicator to manage climate change-related risks and opportunities and set mid- to long-term reduction targets. For Scopes 1 and 2, we will aim for emissions reduction by 30% in FY2030 as compared with FY2021, and for carbon neutrality by FY2050.

Emissions in Scopes 1, 2 and 3 (CO_2 emissions (t-CO_2))

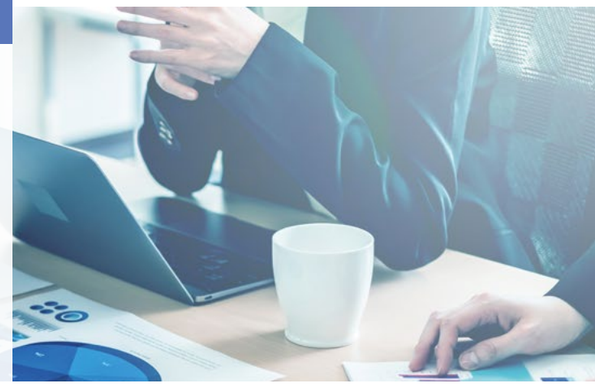
	FY2021	FY2023
Scope1	30,098	27,994
Scope2	43,180	55,280
Scope3	662,167	764,982

Scope of calculation: TOWA PHARMACEUTICAL CO., LTD., J-Dolph Co., Ltd., Daichi Kasei Co., Ltd., Greencaps Pharmaceutical Co., Ltd., Towa Pharma International Holdings, S.L., Sunsho Pharmaceutical Co., Ltd., etc.
Period of calculation: From April 2021 to March 2022 and from April 2023 to March 2024, including Sunsho Pharmaceutical Co., Ltd. and Towa Pharma International Holdings, S.L. which changed the fiscal year end to March 31 starting from the fiscal year ended March 31, 2023



Basic approach

To fulfill our responsibilities as a company providing ethical drugs, the Company strives to provide information to patients and medical professionals in many different ways, which include providing and collecting pharmaceutical information through our medical representatives. We also focus on our responsible business activities ranging from stable supply to quality assurance.



Responsible Business Activities

Disclosure Initiatives

To ensure Towa Quality products and services are used safely and securely, we continue to actively disclose and communicate information related to stable supply and manufacturing and quality control. Through this process, we ensure management transparency and will strengthen trust with patients and medical practitioners.

API Manufacturing Countries Disclosure of the list
*As of February 2024
Disclosure rate **99%**
Negotiations still continuing with external parties on the permission to disclose relevant information

Names of product manufacturers Disclosure of the list
*As of February 2024
Disclosure rate **97%**
Negotiations still continuing with external parties on the permission to disclose relevant information

Expiration of self-lives
*As of May 2024
155 products Completed
Continue to work

Conducted simultaneous inspections on the consistency between the marketing approval and the manufacturing status based on the “Measures for Ensuring the Reliability of Generic Drugs” (March 25, 2021).

Ensure reliability of Towa Japan
~Results of on-site interviews with staff members responsible for testing~
Announced November 28, 2023

Disclosure of supply conditions
Next update scheduled for end of June

Information Provision by Medical Representatives

Our medical representatives, whose number is proudly reported to be the largest among the domestic manufacturers of generics, work on the provision, collection, and transmission of pharmaceutical information. We are also enhancing the network of medical representatives to be able to respond to various needs of diverse medical service providers, including clinics, local flagship hospitals, and health insurance pharmacies. Further, we have established a qualification system for medical representatives who have enhanced specialized capabilities in cancer, immunology, CNS areas, etc. through in-house training, so that we can provide information requiring more specialized expertise.

Information Provision to Promote the Correct Uses of Medicines

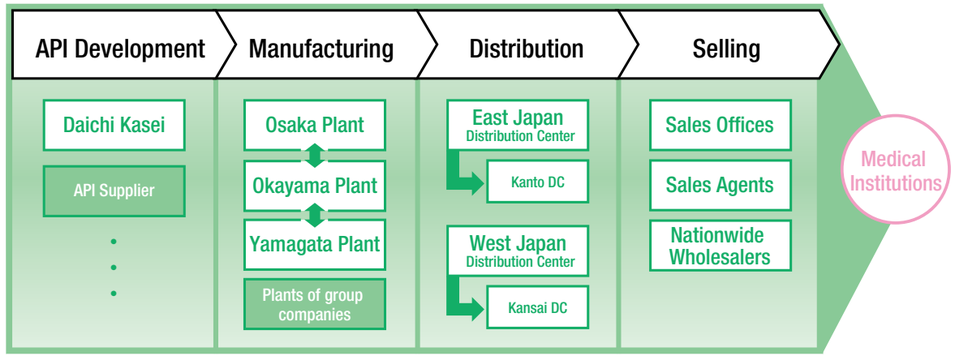
To promote the correct uses of medicines, we provide various explanatory materials for patients, e.g., about how to take medicines, and conduct studies, e.g., on combinations of medicines and other food/beverages other than water to alleviate the bitterness for family caregivers trying to help their children or those they are caring for to take medication. The materials and results of these studies are provided to patients and their family members through medical institutions.

People can access information about medicines by scanning a QR code* printed on a product package with their smartphone or cell phone. For formulations for children, QR codes provide information to parents about the taste of medication and how to help patients (their children) take medication smoothly.

*QR code is a registered trademark of DENSO WAVE INCORPORATED.

Stable Supply System

In order to further fortify the stable supply system that we have focused on up to this point, we will build a mechanism to make the information currently held by each function visable to the entire supply chain and to control it appropriately. Through this, we plan to further improve the stable supply system for pharmaceuticals.



Our Efforts for Stable API Procurement

In order to further strengthen in-house manufacturing of APIs which we have been involved in to date, we are planning to construct a manufacturing building at Group company Daichi Kasei with advanced technologies that can handle the manufacture of highly potent APIs such as anticancer drugs. In addition, for mutagenic impurities, which are a quality-related risk, we are applying the latest knowledge to try to reduce the risk in API procurement.

In-house production of APIs

Reduce the risk of stable supply caused by external factors by developing synthetic processes and manufacturing at Daichi Kasei or cooperative partners

Production of high pharmacologic active APIs

Construct a building equipped with advanced technology for manufacturing of high pharmacological active APIs in responding to growing demand, e.g. anti-cancer drugs (Completed in August 2024)

Strengthen auditing system for manufacturing sites

- Conduct audits in accordance with international standards as well as domestic laws and regulations
- Conduct audits by technical experts (synthetic and physicochemical analyses)

Promote multiple procurement, including starting materials and intermediates

- Maintain a multiple procurement rate of at least 60% for APIs related to the products that Towa manufactures and sells, and establish a system enabling a stable supply in case of emergency
- Select suppliers avoiding the overlap in supplies of starting materials and intermediates

Respond to mutagenic impurities

- Implement appropriate measures by clarifying the mechanism of formation of mutagenic impurities with sophisticated measurement technique
- Predict risks of mutagenicity formation based on the latest knowledge

Risks of API procurement

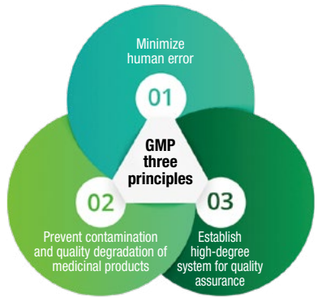
- Discontinuation of shipment / manufacturing of APIs
  (Risks of environment, natural disasters, infectious diseases, accidents)
- Non GMP compliance at API manufacturing sites
  (Quality / regulatory discrepancies in manufacturing)
- Mutagenic impurities*1
  (In accordance with ICH*2-M7 guidelines)
- Starting materials and intermediates
  (Overlap in upstream suppliers of APIs)

*1 Mutagenic impurities: Substances that cause concern for humans due to the potential to cause mutagenic effects
*2 ICH: International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use

Quality Assurance System

To further strengthen quality control, we installed the quality control management system of MasterControl K.K. This system allows for the digital integrated management of events and documents related to the manufacture and sale of pharmaceuticals. All three plants already have manufacturing process management systems and quality testing management systems, and introducing this new system will improve manufacturing and quality control and aims to prevent in advance human error.

GMP Three Principles



Efforts to further strengthen manufacturing control and quality control in light of Towa Quality

In order to ensure quality and reliability are at a global level, we will actively accumulate and utilize technology and know-how to strive to provide products that clear Japanese, U.S. and European standards. In doing so, we will maintain high quality in international markets and provide trusted products.

01 Further improve manufacturing control and quality control by introducing MES, LIMS, and MasterControl to improve data reliability

02 Improve a plant that meets standards in Japan, the United States, and Europe by accumulating and utilizing technologies and know-how to ensure quality and reliability on a global level

03 Aim to further nurture quality culture through collaborative meetings between quality departments including group companies and joint CAPA study meetings

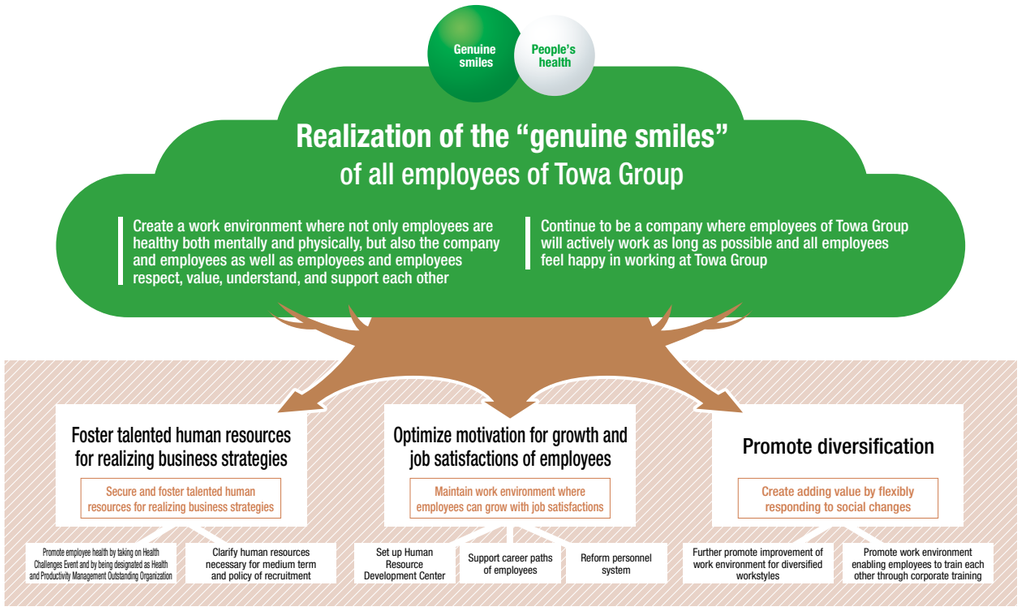
04 Enrich Towa Quality by clarifying the mechanism of nitrosamines formation and establishing analytical methods for nitrosamines and solutions

05 Actively disclose evidence-based, reliable informat

06 Enhance subcontractor management as a manufacturing and selling company of pharmaceuticals with a sense of responsibility for manufacturing control and quality control

Enhance subcontractor management as a manufacturing and selling company of pharmaceuticals with a sense of responsibility for manufacturing control and quality control

To achieve one of the basic policies of our 6th Medium-term Business Plan, which is “Strengthening sustainability management and building foundation for sustainable growth,” making an environment for job satisfaction and fostering talented human resources are essential. We are creating a mutually supportive workplace environment that recognizes diversity and enables employees of the Towa Group to maintain sound mental and physical health. Furthermore, we are working to ensure employees each feel their own growth and are fostering human resources to steadily carry out business strategy. Important themes are “Foster talented human resources for realizing business strategies,” “Optimize motivation for growth and job satisfactions of employees,” and “Promote diversification.” Each theme will be integrated into initiatives and executed.



Health & Productivity Management 2024

We were certified as a Health & Productivity Management Outstanding Organization 2024 (large enterprise category), which is selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

The program was started in 2017 to certify companies that think about employees’ health management from a business-management perspective and strategically implement relevant initiatives. The Company has been certified for seven consecutive years.

The TOWA Health Challenge is an annual event held each year within the company to measure the physical condition of all employees. Initiatives are conducted to provide employees the opportunity to think deeply about their own health and improve their lifestyle habits.

Our Efforts for Diverse Work Styles

We perform various activities to help employees who raise their children or take care of their family members in need of nursing care. In 2010, we were awarded the next-generation certification mark called Kurumin.

We have various parental and nursing care systems for our employees. For example, they can take parental leave until their children turn three years old, they can extend using the shorter working hour system for parenting until their children finish the sixth grade at elementary school, and we provide family support leave to which employees are entitled when they need to take care of their sick family members requiring nursing care.

Indicator	Target	Result
Interview rate	100% (October 2022 to the end of February 2024)	95.9% (June 2022 to the end of February 2024)
Ratio of women in management positions	Achieve 13%	14.8% (as of March 2024)
Ratio of paid leave taken	Achieve 65%	70.8% (FY2023)

Company-sponsored Daycare Centers

Company-sponsored daycare centers are childcare facilities established by companies to provide their employees with flexible childcare services according to the employees’ different ways of working. We established our company-sponsored daycare centers near the Okayama and Yamagata Plants in 2018 to realize a work environment where childrearing employees can work for the Company without any concerns and to contribute to local communities by reducing the number of children on waiting lists at daycare centers. We also have joint-use contracts with company-sponsored daycare centers of other companies to provide employees with additional options. In this way, we are committed to creating an environment where employees find it easier to return to work after parental leave.

Generics Awareness-Raising Seminars

We served as instructors at generics awareness-raising seminars to help further the public’s understanding of generics. We explained the effectiveness and safety of generics and also introduced our initiatives related to quality and safety and our efforts to provide reassuring medicine that is easy to swallow and easy to handle.

High School Student Business Contest

We held a “High School Student Business Contest for the Future and People’s Health” for the fifth time in FY2023. As a part of our efforts to widely disseminate the Group’s vision “We contribute to people’s health” and contribute to a wide variety of health-related industries, the contest is aimed at seeking fresh ideas from high school students who will lead the future of Japan and creating a social contribution opportunity for them.

Donating “comuoon” to Kadoma City

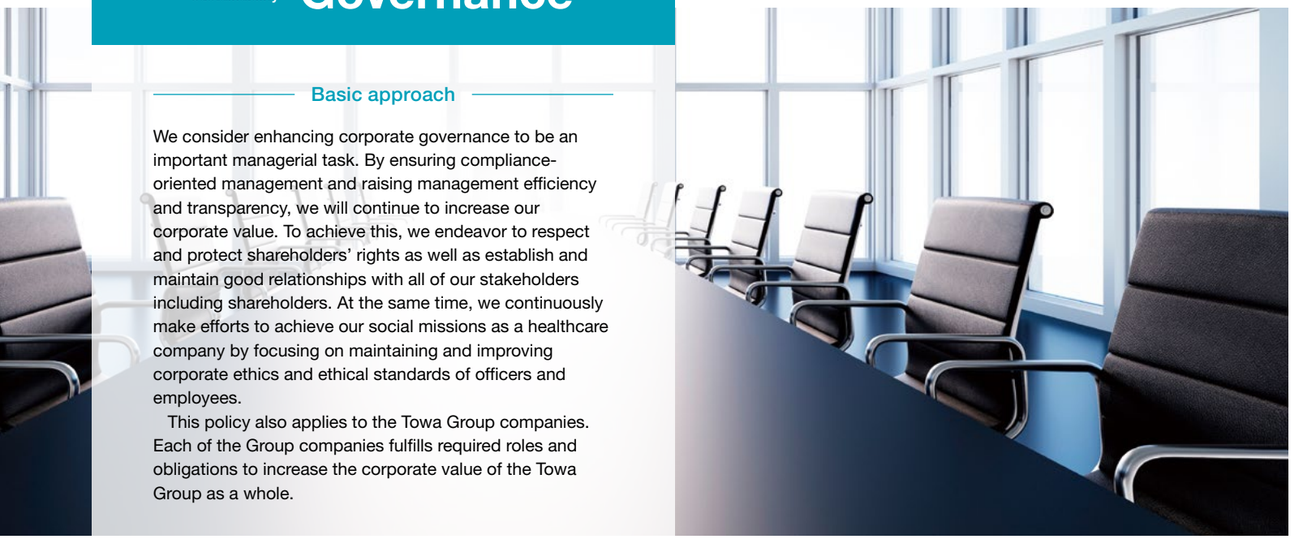
The Nursing Care Department at Kadoma City sees a large number of elderly visitors, and conversation at the reception desk and consultation booths had been an issue. By using our product “comuoon,” a speaker to help people who have difficulty hearing, the number of cases of city employees having to explain in a loud voice decreased. The product has received positive reviews from city residents visiting the department, with comments such as “It’s now easier to hear what other people are saying” and “Conversations have become smoother.”

Cultivation of Pharmaceutical Product Raw Materials in Mongolia

As an example of social contribution activities in overseas countries, the Company has been implementing a project in Mongolia for more than 10 years to cultivate licorice used as herbal medicine.

The Company has initiated a “100-Year Plan” in which we support activities ranging from securing cultivation land to planting, managing, harvesting, drying, chipping, and selling licorice. Going forward, we will contribute to the development of industries in Mongolia through cooperation with local people.

Governance

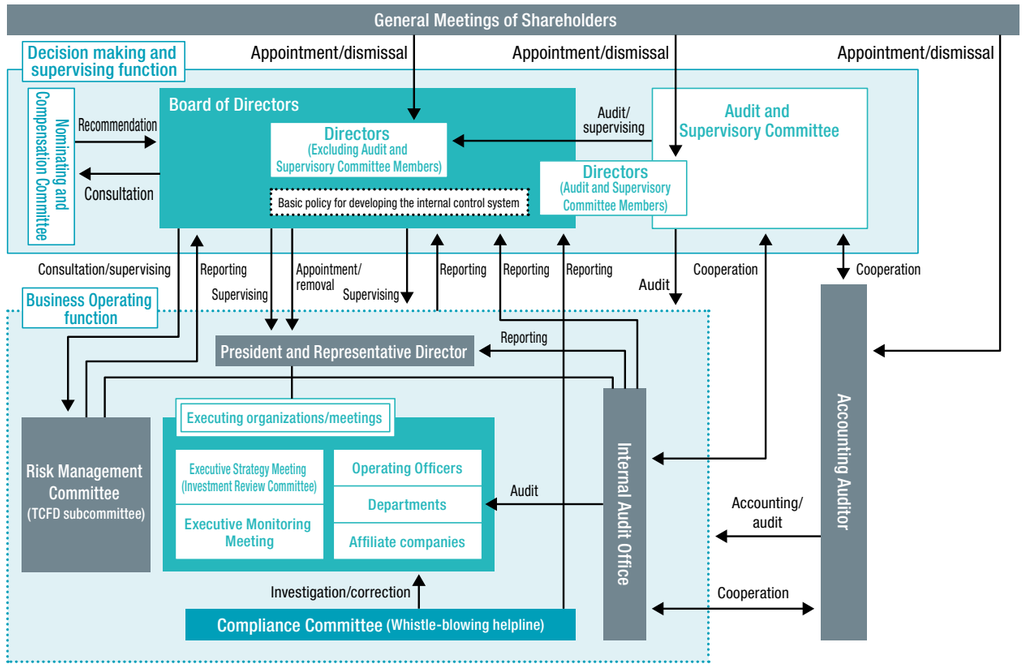


Basic approach

We consider enhancing corporate governance to be an important managerial task. By ensuring compliance-oriented management and raising management efficiency and transparency, we will continue to increase our corporate value. To achieve this, we endeavor to respect and protect shareholders' rights as well as establish and maintain good relationships with all of our stakeholders including shareholders. At the same time, we continuously make efforts to achieve our social missions as a healthcare company by focusing on maintaining and improving corporate ethics and ethical standards of officers and employees.

This policy also applies to the Towa Group companies. Each of the Group companies fulfills required roles and obligations to increase the corporate value of the Towa Group as a whole.

Overview of the corporate governance structure



Enhancement of the corporate governance structure

Towa continuously makes efforts to enhance its corporate governance structure. Towa is a company with an audit and supervisory committee. The Company is governed mainly by the Board of Directors consisting of nine Directors and the Audit and Supervisory Committee consisting of four Directors who are Audit and Supervisory Committee Members (including three Outside Directors).

One of the main roles of the Board of Directors is to make decisions on mid- to long-term management policies and important operations. Its important roles also include resolving the basic policy of the internal control system and supervising Directors' business execution. To ensure the effectiveness of such decision-making and supervision, we need to reduce the number of Directors, separate Directors and Operating Officers and clarify their roles, and build an environment that encourages Outside Directors to express their opinions.

Under these policies, Towa has made several efforts. These include the transition to a company with an audit and supervisory committee, introduction of a mid- to long-term performance-based stock compensation system, establishment of the Nominating and Compensation Committee, enhancement of functions of Outside Directors, and stimulation of the Board of Directors. Going forward, Towa will continue to focus on enhancing the corporate governance structure.

Board of Directors

The Board of Directors of the Company is chaired by the Representative Director. Meetings of the Board of Directors are held monthly in principle. The Board discusses important management matters at the meetings and makes decisions promptly. With regard to business execution, the Company has introduced an operating officer system and built a governance structure to clarify the Directors' responsibilities. With the structure, Operating Officers bear the responsibility for business execution while the Board of Directors focuses on decision-making and supervision of management issues.

Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company consists of four members including three Outside Audit and Supervisory Committee Members. Audit and Supervisory Committee Members conduct effective audits according to audit plans formulated by the Audit and Supervisory Committee. Specifically, they attend important meetings such as the Board of Directors meetings; receive reports from Directors, Operating Officers, employees, and the Accounting Auditor; and conduct on-site audits of major offices. In addition, the Audit and Supervisory Committee has established its own whistle-blowing helpline, which accepts whistle-blowing on matters involving officers as a highly independent contact.

Nominating and Compensation Committee

The Nominating and Compensation Committee of the Company is chaired by the Representative Director and more than half of whose members are Independent Outside Directors. The purpose of the Nominating and Compensation Committee is to deliberate matters on the appointment and dismissal of Directors and Operating Officers, nomination of candidates, succession planning, and compensation in consultation with the Board of Directors, and to make recommendations to the Board of Directors.

Analysis and evaluation of the effectiveness of the Board of Directors as a whole

In February to March 2024, the Company conducted a self-evaluation survey for Directors to analyze and evaluate the effectiveness of the Board of Directors. The survey used a questionnaire consisting of 21 questions including those on the structure, operations, and discussions of the Board of Directors. Results of the survey were reported at the Board of Directors meeting held on April 15, 2024.

Although the survey showed no significant issues on the effectiveness as a whole, it reminded us that we need to further discuss the discovery and development of human resources from a mid- to long-term perspective as well as mid- to long-term management challenges. Based on those results of the evaluation, the Company will further endeavor to enhance the effectiveness of the Board of Directors.

Skill matrix

		Gender	Corporate management	Management strategy Business strategy	Finance/ Accounting	Legal affairs/ Risk management	Personnel	IT/Digital	Purchasing	R&D	Production	Quality control/ Reliability assurance	Sales/ Marketing	Global
Inside Directors	Itsuro Yoshida	Male	●	●	●	●	●		●		●			
	Osamu Uchikawa	Male	●	●						●		●		●
	Toshikazu Kokubun	Male	●	●			●	●						
	Masaaki Takeyasu	Male	●	●				●						●
	Masao Tanaka	Male	●	●	●	●	●							
Outside Director	Norikazu Eiki	Male	●	●		●				●	●	●		●
	Kaori Oishi	Female				●								
	Kenryo Goto	Male	●	●	●	●								
	Nobuki Ando	Male	●	●									●	●

Roles and independence of Outside Directors

The Company believes that fair and efficient corporate management can be achieved through Outside Directors' advice and opinions on the promotion of sound and efficient management at Board of Directors meetings. The Company has established the Nominating and Compensation Committee as an advisory body to the Board of Directors in order to further enhance and strengthen the corporate governance structure. In particular, the committee contributes to appropriately providing the Outside Directors with opportunities for involvement and advice so as to increase the objectivity and transparency of the decision-making process on the matters such as the appointment or dismissal of and compensation for Directors and other officers.

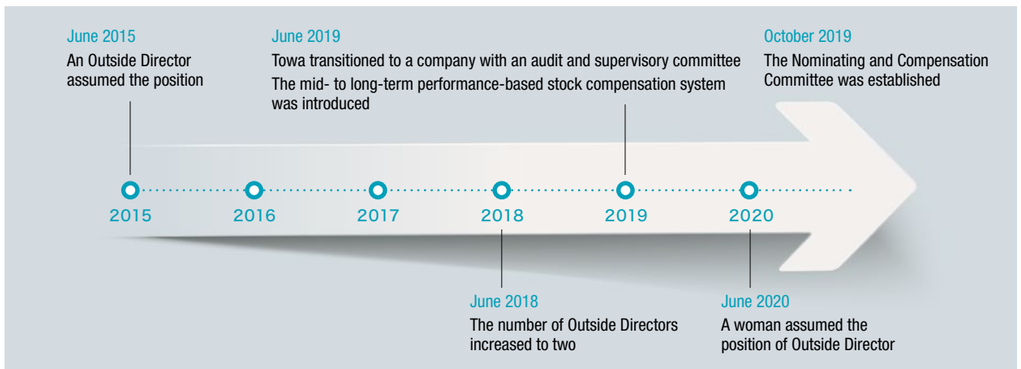
Currently, all of the Outside Directors are Audit and Supervisory Committee Members. The Company has built a system to help them fulfill their duties as Audit and Supervisory Committee Members. Specifically, agenda items of the Board of Directors are sent to them in advance by the General Affairs Department, the administrative office of the Board of Directors, so that the Members can consider matters to be discussed thoughtfully. In addition, they are provided with necessary support by the assistant staff of the Audit and Supervisory Committee as well as reports and explanations on important matters by the full-time Audit and Supervisory Committee Member.

Reasons for nomination of Outside Directors

Name and position	Reasons for nomination	Attendance	
		Board of Directors meetings (held 14 times) 100%	Audit and Supervisory Committee meetings (held 13 times) 100%
Outside Director **Norikazu Eiki*** Assumed the office in June 2019	Norikazu Eiki has wide-ranging insights and extensive experience at a global company, and the Company expects that he will provide advice and opinions from an independent perspective concerning the promotion of sound, efficient, and objective management, for which reason it has appointed him as an Outside Director.		
Outside Director (Audit and Supervisory Committee Member) **Kaori Oishi** Assumed the office in June 2020	Kaori Oishi is well versed in corporate legal affairs as an attorney-at-law. The Company expects that she will provide advice and opinions based on her wealth of experience and expertise from a female perspective as well as from an independent perspective, for which reason it has nominated her as an Outside Director.		
Outside Director (Audit and Supervisory Committee Member) **Kenryo Goto** Assumed the office in June 2021	Kenryo Goto has expertise in fields including finance and accounting as a certified public accountant and extensive experience as a corporate manager of an audit firm. The Company expects that he will provide advice and opinions from an independent perspective based on the above background about improving the transparency and objectivity of management, for which reason it has nominated him as an Outside Director.		
Outside Director (Audit and Supervisory Committee Member) **Nobuki Ando** Assumed the office in June 2024	Nobuki Ando has extensive knowledge of Japan's health insurance system cultivated through his work in health insurance administration, as well as deep knowledge of logistics and experience as a manager in companies operating both domestically and overseas. The Company expects that he will provide advice and opinions from an independent perspective based on the above background about the promotion of sound, efficient, and objective management, for which reason it has nominated him as an Outside Director.	—	—

* At the 68th Ordinary General Meeting of Shareholders held on June 25, 2024, he was appointed as a Director who is not an Audit and Supervisory Committee Member.

History of Towa's corporate governance



Compensation for officers

The Company formulated the basic policy for the determination of Directors' compensation. Under the policy, compensation shall:

- Contribute to secure talented people to ensure Towa Group Philosophy, Our Commitments, Corporate Policy, and the Charter of Corporate Behaviors in Towa Group;
- Be linked with clear targets for corporate and individual performance to increase Directors' motivation and morale as they perform their duties;
- Help to raise awareness of the contribution to improving mid- to long-term performance and corporate value; and
- Be determined with a focus on raising awareness of sharing interests with shareholders and shareholder-centered management.

With the basic policy above, in 2019 the Company introduced the mid- to long-term performance-based stock compensation system for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members). This introduction was made to further clarify the link between compensation and the Company's mid- to long-term performance and shareholder value, as well as to improve corporate value over the medium to long term by granting incentives while raising Directors' awareness of contribution to the improvement of corporate value and shareholder-centered management.

In addition, the Company has established the Nominating and Compensation Committee as an advisory body to the Board of Directors with the aim of increasing the objectivity and transparency of the decision-making process of compensation for Directors or other matters as well as further enhancing and strengthening the corporate governance structure.

Total amount of compensation for Directors

Position	Total amount of compensation (JPY million)	Amount of compensation by type (JPY million)				Number of eligible officers
		Basic compensation	Annual bonuses (based on individual performance)	Performance-based compensation		
				Monetary compensation	Non-monetary compensation	
Directors (excluding those who are Audit and Supervisory Committee Members)	153	104	11	33	3	4
Directors who are Audit and Supervisory Committee Members (of which Outside Directors)	45 (26)	45 (26)	— (—)	— (—)	— (—)	5 (3)
Total (of which Outside Directors)	199 (26)	149 (26)	11 (—)	33 (—)	3 (—)	9 (3)

Cross-shareholdings

The Company may hold cross-shareholdings upon request from a business partner as a means to build, maintain, and strengthen long-term and stable transactional relationships with the business partner. In that case, however, the Company holds cross-shareholdings only when it is deemed that holding of such shares will contribute to the enhancement of its corporate value over the medium to long term.

Whether to hold cross-shareholdings is determined yearly by the Board of Directors with consideration of mid- to long-term economic rationality and future outlook. The Company exercises its voting rights of cross-shareholdings appropriately after closely examining the proposals and determining whether the holding of such shares will contribute to the enhancement of shareholder value. The Company does not make an affirmative determination on proposals that may damage shareholder value. In addition, the Company will be against proposals of appointment of directors and other officers who committed any antisocial act or violation of legal obligations.

If a cross-shareholder expresses an intention to sell the shares, the Company does not hinder the sale or other acts. When conducting transactions with cross-shareholders, the Company will thoughtfully examine the economic rationality of those transactions, just as with those with other business partners.

Dialogues with stakeholders

The Company discloses the information on its management strategies, finance/performance status, among other matters, to shareholders, investors, and other stakeholders through investor relations activities in an appropriate and timely manner.

In addition, the Company emphasizes constructive dialogues with stakeholders including shareholders and investors so as to deliver opinions, requests, and other similar things obtained from such dialogues to the Board of Directors for the improvement of corporate value. The Company recognizes the importance of appropriate collaboration with not only shareholders and investors but also other stakeholders including patients, medical professionals, business partners, local communities, and employees. For creating corporate value, we are committed to disclosing information in an appropriate and timely manner to all of our stakeholders in order to maintain good and smooth relationships with them.

Risk Management

Basic approach to risk management

To ensure company-wide risk management, the Company has formulated the “Basic Regulations for Risk Management,” which shall be complied with by all the departments, officers, and employees of the Towa Group. It is critical for the Group’s continuation and growth to respond to the risks surrounding the Group promptly and appropriately. We aim to prevent risks as well as to minimize the loss of stakeholders’ profits and impacts on corporate management when a risk occurs. The Group’s risk management is administered by the Risk Management Committee, established under the President and Representative Director, who is the chief risk officer.

Risk Management Committee

The Risk Management Committee is headed by President and Representative Director Itsuro Yoshida, chaired by Division Manager of Administration Division Norikazu Inoue, and is made up of 16 other members (as of the filing date): Director Osamu Uchikawa, Director Toshikazu Kokubun, Director Masaaki Takeyasu, Senior Operating Officer Tetsuro Tabata, Senior Operating Officer Yutaka Okuda, Operating Officer Shiro Hatagami, Operating Officer Yasuyuki Oishi, Operating Officer Takeshi Sugiura, Division Manager of Corporate Strategy Division Hideshi Nakamura, Division Manager of Human Resources Division Naomichi Hashizume, Division Manager of Purchasing Division Takeyuki Yamamoto, Division Manager of Pharmacovigilance and Quality Assurance Division Masafumi Fukae, Division Manager of International Business Division Kensuke Ogihara, and General Manager of Logistics Department Wataru Yoshimura. In addition, Director (Full-time Audit and Supervisory Committee Member) Masao Tanaka and General Manager of Internal Audit Office Taro Miyoshi attend meetings of the committee as observers. The Risk Management Committee addresses the risks surrounding the Group promptly and appropriately with the aim to minimize the loss of stakeholders’ interests and impacts on corporate management when a risk occurs while preventing risks.

Information security

To increase the Company’s trustworthiness and competitiveness, the Company has formulated its information security regulations. The regulations consist of basic rules for appropriate use, maintenance, and operation of information assets that all the officers and employees must comply with in the course of their duties. Based on the regulations, the Company works to secure information security as part of daily management activities, business promotion, and organizational operation.

Disaster countermeasures

Towa Group takes various measures to prepare for a large-scale disaster.

Specifically, those measures include: (1) provision of emergency supplies, (2) clarification of initial responses and preparation of manuals, and (3) introduction of a safety verification system. In addition, we hold twice-a-year meetings of the Risk Management Committee to share information.

In October 2023, Okayama Plant conducted its 2023 comprehensive disaster prevention drill with the fire department in attendance. We conducted an evacuation drill and a water extinguisher drill based on the assumption that an actual fire had broken out to ensure that all employees had a sense of crisis and acted safely.

Fire evacuation drill

Risk Information

Towa Group mainly handles prescription products, and among them, generics are our leading products. A generic drug has the same active ingredients, indications, dosage, and administration as a branded drug that has been on the market after its efficacy and safety have been confirmed for a certain period of time. Thus, the Group faces specific risks as a generic business in addition to risks as a holder of marketing authorization for drugs. After recognizing these risks, the Group makes every effort to avoid their occurrence and set up a system for unexpected events.

Control in accordance with the Pharmaceutical and Medical Device Act, etc.	The Group has been manufacturing and marketing prescription products in accordance with the Pharmaceutical and Medical Device Act and related laws and regulations. Any violation of those laws and regulations may cause administrative sanctions by the authorities concerned, which may affect the Group’s business activities. To address risks related to various regulations, the Group collects information on the laws and regulations to conduct business in accordance with them. In addition, we have developed a company-wide plan and system for compliance promotion.
Patent and re-examination periods	The active ingredients of branded drugs are usually protected by patent rights, and the period is 20 years from the date of application (the period may be extended for up to 5 years). Since generics are approved for marketing after the expiration of the patent period, the extension of the patent period is expected to affect the Group’s launch of new products (new generics). The Group collects information on patents and re-examination periods as well as facilitates collaboration among related departments. We strive to resolve discrepancies in indications by obtaining approval for partial changes, such as additional indications as soon as possible, after the patent period on a branded drug expires, or by applying for partial changes after the re-examination period.
Re-evaluation based on the Pharmaceutical and Medical Device Act	Re-evaluation of drugs is a system in which the quality, efficacy, and safety of approved drugs are reviewed from the current academic standards. If the drug efficacy re-evaluation shows no usefulness, the product is recalled and disposed of. If the quality re-valuation shows that the drug is not equivalent to that of a branded drug, subsequent marketing may be discontinued. Also, with international regulations on mutagens being strengthened, a problem found such as a failure to meet standards can create a risk of the product being recalled, disposed of, or stopped from being sold. These situations may affect our group’s financial position and operating results. The Group collects information on scientific and technological progress to appropriately evaluate drugs.
Adverse drug reactions	Generics are released after branded drugs have been used for many years. Their safety information has been confirmed, and they have been re-examined. Therefore, the risk of serious adverse reactions is minimal. However, if they occur, it may affect the Group’s financial position and operating results. The Group collects information on drugs including that on the occurrence of adverse drug reactions in compliance with each country’s regulations. This allows us to determine and conduct necessary measures based on the results obtained through assessment and consideration.
Drug price system and medical cost containment policy	To sell ethical drugs, which are our mainstay products, the products have to be listed in the NHI price list specified by the Minister of Health, Labour and Welfare. The Group’s financial position and operating results could be affected if the medical insurance system is reviewed, the drug price system is significantly changed, or the medical cost containment policy is reinforced. The Group aims to sell products at fair prices that match their values while improving profitability by expanding the market share of recently launched products. The Group also aims to reduce costs by cutting procurement costs for raw materials and improving production efficiency.
Patent litigation	Since our generic drugs sometimes use API that still has patent rights for their crystal form, formulations, use of the drug, etc., a patent suit may be filed by a manufacturer of new drugs. Such cases may affect the Group’s financial position and operating results. The Group responds to such risks by collecting patent information and strengthening collaboration among related departments, such as engineering and development departments. This enables us to develop drug formulations that have not been covered by patents held by other companies.

Risks in the competitive environment	The competitive market for generic drugs is composed mainly of a switch from brand-name drugs and is greatly affected by the number of sales promotion companies. In recent years, companies have been planning strategies, such as introducing authorized generic products. Our actual sales revenue may differ from planned revenues, depending on their trends. In addition, competitors' supply status impacts demand for our products, which could risk a stable supply. The Group responds to such risks by increasing production capacity through capital investment, improving the backup system for manufacturing sites, and ensuring a stable supply of products from the production and sales aspects by monitoring the volume of demand and inventory daily. We are also making efforts to ensure reliability through transparent disclosure of information.
Mark-to-market valuation of derivatives	The Group imports certain semi-finished products and raw materials from overseas manufacturers in foreign currencies. If the costs increase due to a weak yen, it is extremely difficult to shift the increase onto the sales price under the drug price system in Japan. To avoid the risk of cost increase due to the depreciation of the yen and to provide a stable supply of our products, we conduct long-term derivative transactions. Such transactions are subject to mark-to-market valuation at the time of financial closing, and valuation losses may occur if the yen is stronger, or the long-term interest rate spread between Japan and the U.S. is larger, than at the end of the previous fiscal year. Therefore, valuation loss may occur depending on the exchange rate and the interest rate trend in Japan and the U.S. In the opposite case, valuation gains may occur. The Company estimates the future amount of import transactions made in foreign currencies to conduct long-term derivatives transactions within the estimated range. This helps us prevent derivatives transactions from being speculative.
Stagnation and delay of production owing to disasters and other causes	The Group has production sites in Japan (Osaka, Okayama, Yamagata, Shiga, Hyogo, Shizuoka, and Chiba Prefectures) and Spain (Province of Catalonia), and any of these production sites could be forced to cease business operations owing to the occurrence of natural disasters or technical/regulatory issues to affect the stable supply of products. Besides, if natural disasters and other causes force us to halt purchasing raw materials from some specific supplier(s) and these halted raw materials are challenging to substitute, our business performance could be affected. The Group strives to organize a mutual backup system among our domestic plants and promote multiple sourcing of APIs. Moreover, the Group possesses its own API manufacturing plant to secure a stable supply of APIs.
Global risks	We completed the acquisition of Pensa Investments, S.L. (Headquarters: Catalonia, Spain, currently Towa INT) in January 2020. We expect that the acquisition of Towa INT contributes to building our global structure and providing our value-added products to the markets in Europe and the United States. However, the Group's financial position and business performance could be affected if the acquisition of Towa INT fails to produce the expected effects owing to changes in business environments and business operations of Towa INT, effects of local systems and regulations, possible delay in the progress of the integration process between Towa INT and us, or events unrevealed during due diligence. The Group strives to strengthen a global management structure through the integration process between Towa INT and us.
Risks of corporate acquisition	Protosera Inc. became our subsidiary in March 2021. We also completed the acquisition of Sunsho Pharmaceutical Co., Ltd. by acquiring all of its shares in March 2022. If we fail to achieve the expected effects of the acquisition of these companies due to changes in the management environment and business operations, possible delay in progress of the integration process, and events unrevealed during due diligence, the financial position and operating results of the Group may be affected. The Group is in the process of developing a business plan and creating synergies through the integration process between the Company and its subsidiaries, as well as strengthening a management structure by, for example, dispatching directors.
Risks related to IT security and information management	The Group is in possession of large amounts of confidential information, including sensitive personal information, through its business activities. Such confidential information is always subject to leaks due to cyber attacks or internal fraud. This, combined with the enactment of laws to protect personal information and increased awareness of rights regarding personal information, makes information management all the more important. Leakage of important confidential information could result in legal damage and loss of credibility. We guard against these risks and strengthen security by continuously conducting in-house education to raise awareness about information security and working with our Group company, T Square Solutions Co., Ltd.
Others	The legal status of COVID-19 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases has changed to Class V Infectious Disease, and the impact of the infection on the Group has lessened. On the other hand, there is a continued risk of a new viral pandemic affecting our sales and production. There is also a risk that changes in the Russia-Ukraine situation will affect the global economy and cause prices of energy and raw materials to soar, thus affecting the management of the Group.

Compliance

Compliance policy

In order to be committed to ethical and law-abiding corporate behavior in accordance with the "Towa Group Code of Conduct," the Group promotes measures as well as training and education to raise compliance awareness of the officers and employees. Furthermore, we develop and appropriately utilize a whistle-blowing helpline so as to promptly detect and correct fraudulent acts of the Group's officers and employees.

The Internal Audit Office, which is under the direct supervision of the President and Representative Director, conducts internal audits and reports the results directly to the top management. In the case where the Internal Audit Office finds anything that needs improvements, it conducts a follow-up audit to check the improvements.

Compliance structure

We have established the Compliance Committee consisting of inside and outside committee members under the officer in charge of compliance to promote compliance activities. Under the Group's compliance policy, the officers and employees shall promptly report to Directors and the Compliance Committee when they find a problem that may cause damage to the Group's business and financial condition.

The Compliance Committee is in charge of the whistleblowing helpline (group helpline). It regularly reports the information from the officers and employees of the entire Group collected through the helpline to the Board of Directors. The Audit and Supervisory Committee shares information with the Internal Audit Office and the Compliance Committee on a regular basis. It has a right to request report submission.

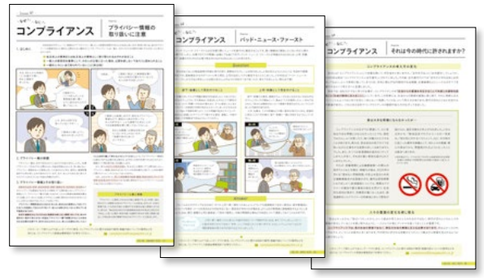
In addition, because each organization needs to carry out activities such as promotion of and corrective actions for compliance autonomously, we have designated Division Managers and Plant Managers as Departmental Compliance Promotion Supervisors, and Department Managers as Departmental Compliance Promoters. The Compliance Committee works together with Departmental Compliance Promotion Supervisors to plan and implement measures such as identification, analysis, and correction of compliance risks for the Group as a whole.

Overview of the compliance structure

Compliance activities/education

The Company conducts awareness-raising activities for the officers and employees on a daily basis under the leadership of the officer in charge of compliance and the Compliance Committee. In addition, we set specific periods to promote compliance to take various measures across the Group. Specifically, we conveyed a message from the president and displayed a poster to raise awareness of compliance. We also conducted an awareness survey for all officers and employees of the Group, officer training, and workplace meetings related to compliance at each department.

In addition, we provided e-learning on such themes as how to use the whistle-blowing system and handle privacy information. For overseas subsidiaries as well, legal affairs and compliance departments at the regional headquarters undertook measures such as provision of training.



Delivered easy-to-understand compliance example cases through group newsletters

Whistle-blowing helpline

The Company's whistle-blowing system appropriately deals with problems while protecting whistle-blowers. Together with the monitoring by the Internal Audit Office, the system has contributed to prompt detection and correction of problems. The Group has two contacts to deal with issues under the Whistleblower Protection Act: a group helpline and a whistle-blowing helpline of the Audit and Supervisory Committee. The group helpline is used as a helpline shared within the Group companies in Japan. The whistle-blowing helpline of the Audit and Supervisory Committee addresses only cases involved with the officers of the Group companies in Japan as a contact point independent from execution. As for overseas, we have established whistle-blowing helplines in Towa Pharma International Holdings, S.L., which is our EU/U.S. Regional Headquarters, for the officers and employees of our subsidiaries overseas. We regularly receive their reports on the status of whistle-blowing received and investigated.

Message from the Outside Directors

Toward realization of our vision, “to become a company that creates the future beyond people’s health”

Norikazu Eiki
Outside Director

Under the new Medium-term Business Plan that started this term, the Company is seeking to create “the future beyond people’s health.” This vision is intended to deliver a future where wonderful lives can be celebrated beyond the goal of health. To realize this vision, while bearing in mind that we are an honest, trusted company, which is our strength, I want to further contribute to it as an outside director, drawing on the experience and knowledge I have acquired so far.

Participating in formulating the new Medium-term Business Plan and moving toward achieving it going forward

The new Medium-term Business Plan started this term (April 2024), but in formulating the plan, outside directors participated in discussions from an early stage, and we held lively exchanges of opinions on how the Group wants to be in the future and on addressing issues. In the generic drug industry, the role the Company is to play is growing larger and larger, but I intend to contribute to help ensure the initiatives set forth in the plan are steadily executed and the goals steadily achieved.

Kaori Oishi
Outside Director (Audit and Supervisory Committee Member)

I want to contribute in this major transition period for the industry

Kenryo Goto
Outside Director (Audit and Supervisory Committee Member)

Toward solving supply shortages of generics, this year’s drug price reforms will introduce company requirements that evaluate companies that can ensure stable product supply.

The Company will promote a new Medium-term plan starting this year that includes augmenting production capacity, and I will contribute to this transition period. I hope to support this from the perspective of corporate governance.

I hope that, with my perspective from outside the company, I can help ensure a stable supply for products that support “genuine smiles” by contributing to people’s health, and that can be used with peace of mind in Japan and the rest of the world.

I want to contribute to maintaining and further developing Towa Quality

The role of generics in Japan’s current medical insurance system is increasing in importance due in part to government policy. However, supply problems that began in 2020 still do not have a clear path to a solution. At the same time, due to the low birthrate and aging population, employee health insurance finances are tightening, and there is not such a large amount of time remaining to make the medical insurance system sustainable. Amid this, the Company is expected to play an important role in the generics industry. I intend to draw on my experience to date and express my opinions on the Board of Directors and on the Audit and Supervisory Committee as well so that production is steadily expanded while above all maintaining Towa Quality.

Nobuki Ando
Outside Director (Audit and Supervisory Committee Member)

Board Members

Itsuro Yoshida
President and Representative Director

May 1979	Joined the Company
October 1983	General Manager of Finance & Accounting Department
December 1983	Director / General Manager of Finance & Accounting Department
August 1986	Director / General Manager of General Affairs Department
April 1990	Director / General Manager of President Office
June 1990	Senior Managing Director / General Manager of President Office
June 1991	Senior Managing Director / Division Manager of Production Division / General Manager of President Office
November 1991	Senior Managing Director / General Manager of President Office
June 1996	President and Representative Director (to present)
October 2003	Chairman and Representative Director of J-DOLPH Co., Ltd. (currently J-DOLPH Pharmaceutical Co., Ltd.)
October 2010	Chairman and Representative Director of Daichi Kasei Co., Ltd.
June 2024	Chairman of the Board of Directors of J-DOLPH Pharmaceutical Co., Ltd. (to present)

Osamu Uchikawa
Director

August 2017	Joined the Company / Senior Advisor, API Business Division
April 2018	Operating Officer / Division Manager of API Business Division
April 2019	Senior Operating Officer / Division Manager of API Business Division / In charge of Product Strategy Division and Innovative Technology Research Division
April 2021	Senior Operating Officer / Division Manager of API Business Division / In charge of Product Planning Division, Innovative Technology Research Division, Pharmaceutical Research and Technology Division, Pharmaceutical CDMO Management Division, and Pharmaceutical Development Division
June 2021	Chairman and Representative Director of Daichi Kasei Co., Ltd. (to present)
April 2022	Senior Operating Officer / Division Manager of API Business Division / In charge of Pharmacovigilance and Quality Assurance Division, Product Planning Division, Innovative Technology Research Division, Pharmaceutical Research and Technology Division, Analytical Technology Center, Pharmaceutical CDMO Management Division, and Pharmaceutical Development Division
April 2023	Senior Operating Officer / In charge of R&D Division, Pharmacovigilance and Quality Assurance Division, and Pharmaceutical CDMO Management Division
June 2023	Director (to present)

Toshikazu Kokubun
Director

April 2014	Joined the Company / Sales and Marketing Division
April 2020	General Manager of Regional Medical Strategy Department, Business Development Division / General Manager of Next Generation Business Promotion Department
April 2021	Operating Officer / Deputy General Manager of Business Development Division / General Manager of Regional Medical Strategy Department
April 2022	Operating Officer / General Manager of Corporate Strategy Division in charge of Human Resources Division
April 2024	Operating Officer in charge of Corporate Strategy Division, Human Resources Division, Administration Division, Finance and Accounting Division, Sales and Marketing Division, Logistic Department, and Production Division
June 2024	Director (to present)

Masaaki Takeyasu
Director

April 1988	Joined Shionogi & Co., Ltd.
April 2006	General Manager of Corporate Planning Division
April 2008	General Manager of Marketing Division
April 2012	Operating Officer / General Manager of Overseas Business Division
April 2018	General Manager of Public Relations Division
April 2019	Deputy General Manager of Planning and Management Division, H.U. Group Holdings, Inc.
January 2021	President and Representative Director of Ishinban, Inc.
January 2023	Joined the Company / Deputy General Manager of Corporate Strategy Division
April 2024	In charge of Corporate Strategy Division under Pharmaceutical CDMO Management Division / International Business Division / Business Development Unit / Digital Health Planning and Promotion Office Representative Director of T Square Solutions Co., Ltd. (to present)
June 2024	Director (to present)

Masao Tanaka
Director (Full-time Audit and Supervisory Committee Member)

April 2009	Joined the Company / Deputy-General Manager of Internal Audit Office
April 2011	General Manager of Internal Audit Office
October 2016	General Manager of Public Relations and Investor Relations Office / General Manager of Human Resources Department
June 2017	Director / Division Manager of Administration Division
April 2019	Director / Director in charge of Administration Division
June 2020	Director
April 2021	Chairman and Representative Director of Protosera Inc.
July 2021	President and Representative Director of Protosera Inc.
June 2024	Director (Audit and Supervisory Committee Member) (to present)

Outside Director

Norikazu Eiki
Outside Director

August 1979	Joined Ciba-Geigy Japan Limited
January 1994	Joined Bayer Yakuhin, Ltd.
March 1997	Director / Plant Manager of Shiga Plant, Bayer Yakuhin, Ltd.
July 2002	President and Representative Director of Bayer Yakuhin, Ltd.
January 2007	Chairman and Representative Director of Bayer Yakuhin, Ltd.
April 2010	Chairman and Director of Bayer Yakuhin, Ltd.
May 2014	Outside Director of AnGes MG, Inc. (currently AnGes, Inc.) (to present)
April 2015	Director of FunPep Co., Ltd. (to present)
June 2015	Outside Director of the Company
April 2016	Outside Director of Solasia Pharma K.K. (to present)
June 2018	Outside Director of Gene Techno Science (currently Kidswell Bio Corporation) (to present)
June 2019	Outside Director of the Company (Audit and Supervisory Committee Member)
August 2023	Outside Director of AwakApp Inc. (to present)
June 2024	Outside Director of the Company (to present)

Kaori Oishi
Outside Director (Audit and Supervisory Committee Member)

October 2001	Registered as an attorney at law
October 2001	Joined Kitahama Law Office (currently Kitahama Partners)
January 2013	Partner of Kitahama Partners (to present)
June 2017	Outside Director of PALTAC CORPORATION (to present)
June 2020	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)
June 2022	Outside Director of FUJITEC CO., LTD.
June 2024	Outside Director of ESLEAD CORPORATION (to present)

Kenryo Goto
Outside Director (Audit and Supervisory Committee Member)

September 1981	Joined Asahi & Co., Osaka Office (currently KPMG AZSA LLC)
March 1984	Registered as a certified public accountant
May 2005	Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)
July 2010	Board member, Head of Division 3, Osaka Office, KPMG AZSA LLC
July 2013	Senior Executive Board member of KPMG AZSA LLC
July 2015	Osaka Office Managing Partner of KPMG AZSA LLC
July 2020	Established Kenryo Goto Certified Public Accountant Office (to present)
April 2021	Auditor of Hyogo Medical University (to present)
June 2021	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)
June 2022	External Director of West Japan Railway Company (to present)
January 2024	Outside Auditor of HI-LEX CORPORATION (to present)

Nobuki Ando
Outside Director (Audit and Supervisory Committee Member)

April 1978	Joined NIPPON EXPRESS
January 2002	Manager of NIPPON EXPRESS USA, INC. Seattle Branch
February 2004	Manager of NIPPON EXPRESS USA, INC. Los Angeles Branch Air Service Division
October 2008	General Manager of Sales Planning Department / General Manager of Customer Service Center, NIPPON EXPRESS
June 2011	Executive Officer in charge of Sales Planning Department, Sales Department 3, and Customer Service Center
May 2013	Executive Officer in charge of Sales Planning Department, Global Logistics Services Department, and Customer Service Center
May 2014	Managing Executive Officer
May 2015	Chairman of the NIPPON EXPRESS Health Insurance Association
April 2017	Alumni Association Chairman and Councillor of Ryutsu Keizai University
October 2017	Director of Japan Health Insurance Association
April 2022	Director and Councilor of Ryutsu Keizai University (to present)
November 2023	Advisor of SIGMAXYZ Holdings Inc. (to present)
June 2024	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)