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, so that we can 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 and 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 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 Mid-term Business Plan including personnel measures and clearly defines the basic strategies and management targets.

Sustainability **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.

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). In FY2022, examination was 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 the future, we will contribute to 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.

The scope of examination will be expanded to the entire Towa Group from FY2023, and we will promote further information disclosure.

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.

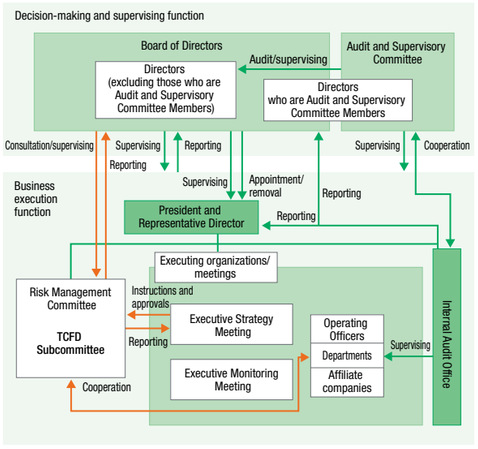
The Risk Management Committee deliberates on the status of initiatives undertaken by the TCFD Subcommittee, and reports to the Board of Directors on the status twice a year.

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 follow ups 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 Company conducted scenario analysis for manufacturing, selling, businesses, etc. of its ethical drugs, assuming the world as of 2030. In the scenario analysis, we have formulated three scenarios, namely 1.5°C, 2°C, and 4°C scenarios, in reference 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, there were no serious business risks associated with climate change on the subject businesses that have been identified. 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 analysis: TOWA PHARMACEUTICAL CO., LTD. (single entity) 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 material 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 the carbon neutrality by FY2050.

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

	FY2021	FY2022
Scope 1	30,098	29,948
Scope 2	43,180	47,661
Scope 3	947,466	1,045,925

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 2022 to March 2023, 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

Sustainability

Society

[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

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 provide a qualification system for medical representatives to recognize and enhance their specialized capabilities in cancer, immunology, CNS areas, etc., so that we can provide information requiring more specialized expertise.

Information Provision by DI Center

To ensure expeditious and accurate information provision, the Company integrated multiple contacts into Drug Information (DI) Center of Drug Information Department, and uses the call-center system connected to customer information. This allows us to promote optimal information provision activities for proper uses of generics. We also offer contact offices to receive inquiries even at night or on holidays on a 24/7 basis.

Customer Service is offered for patients and the general public. Toll-free services are available for various pharmaceutical inquiries about combinations of multiple medications, side-effects, etc.

Information Provision via Websites

We provide necessary information about our ethical drugs through the corporate site and the site for medical professionals. The corporate site offers information about generics and materials that can be used by parents trying to help children take medication, as well as other useful tips. The site for medical professionals provides product information, governmental actions on medical practices, and materials that can be used for medical instructions for patients.

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.

Booklet to provide information

Responsible Business Activities

Stable Supply System

Stable supply is one of our important missions to be accomplished as an ethical drug manufacturer. We have production sites in Osaka, Okayama, and Yamagata. To ensure stable product supply, production of oral dosage forms is dispersed to the three plants; and the production of injections is integrated into Yamagata Plant built with the seismically isolated structures to minimize natural disaster risks.

Products dispatched from the plants are stored in the East Japan Distribution Center (in Yamagata) and West Japan Distribution Center (in Okayama). This enables us to deliver our products nationwide from either of the distribution centers in case one of which is shut down due to a natural disaster, etc. We realize stable supply through the two distribution centers in East and West Japan.

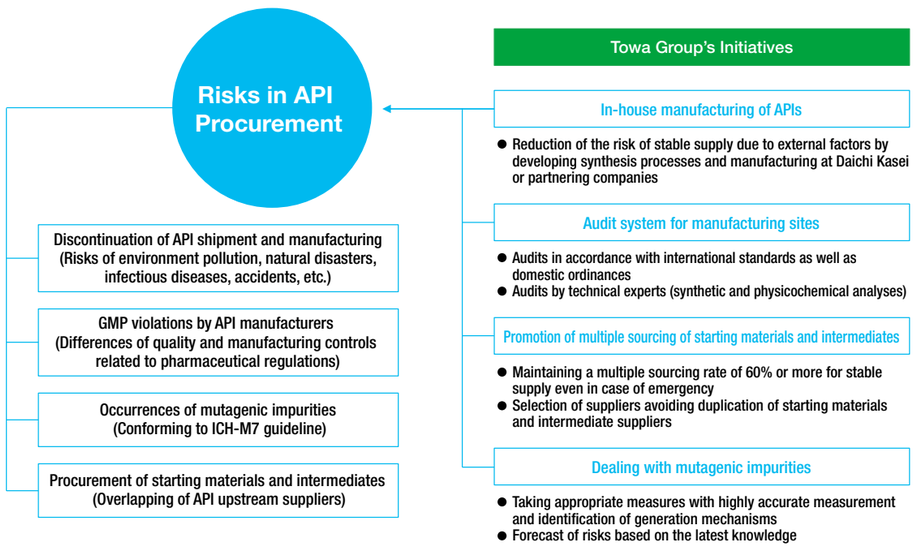

Osaka Plant


Okayama Plant


Yamagata Plant

Our Efforts for Stable API Procurement

We regularly inquire and confirm API manufacturers whether they manufacture APIs in accordance with various standards, laws, and regulations to enable the stable procurement of the APIs. In addition, to enable stable API procurement even if some supplies of APIs are suspended, we promote a procurement system in which a single API can be procured from multiple manufacturers (multiple-sourcing system). Another attempt to enhance stable supplies is made by establishing methods of manufacturing APIs at internal sites and actually manufacturing them at our group company.



Quality Assurance System

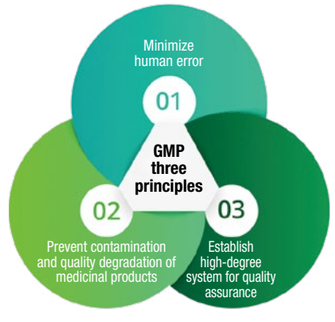
Strict quality control standards established by the national government apply to all processes of ethical drug manufacturing operations. In order to be a trustworthy company, we carry out company-wide quality control initiatives ranging from product R&D, manufacturing, and marketing to after-sales operations, and establish the quality assurance system required for ethical drugs.

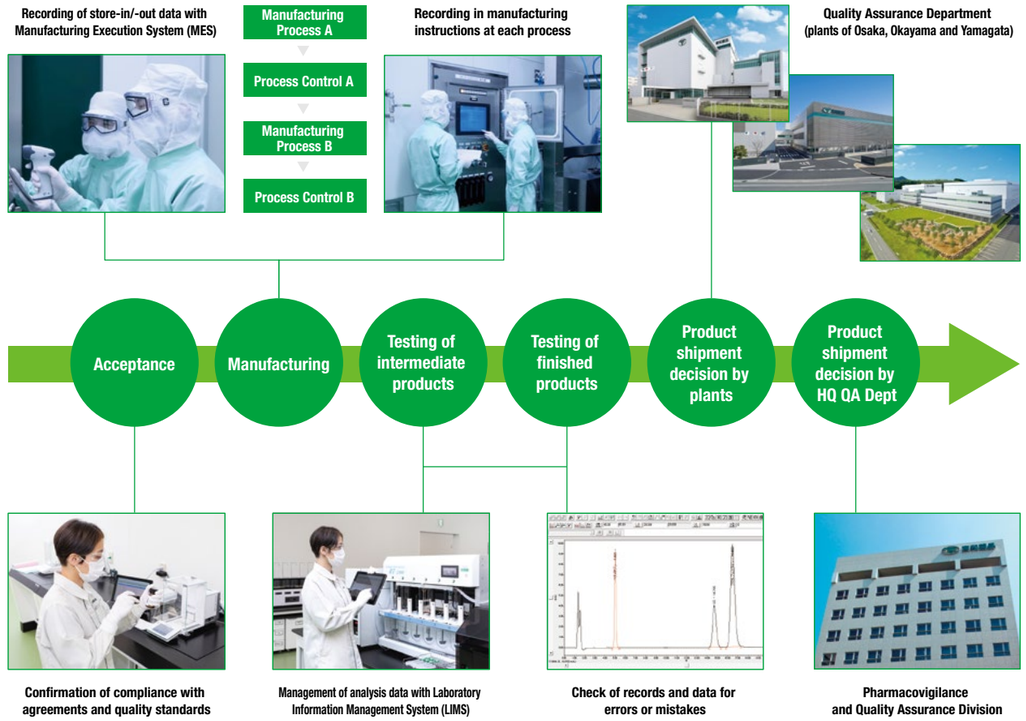
In the 5th Mid-term Business Plan, Policy 1 is "Enhancing generics business as a core." Under the policy, one of the key themes is further strengthening the quality assurance system in order to be a more trusted and needed company as a comprehensive generics manufacturer. Under the quality assurance system, we not only comply with relevant regulations including the Good Manufacturing Practice (GMP) Ministerial Ordinance, but also strive to assure the quality and safety of pharmaceutical products through introducing international standards and establishing our original systems and training programs from the perspective of "minimizing human error," one of the GMP three principles.

GMP Three Principles

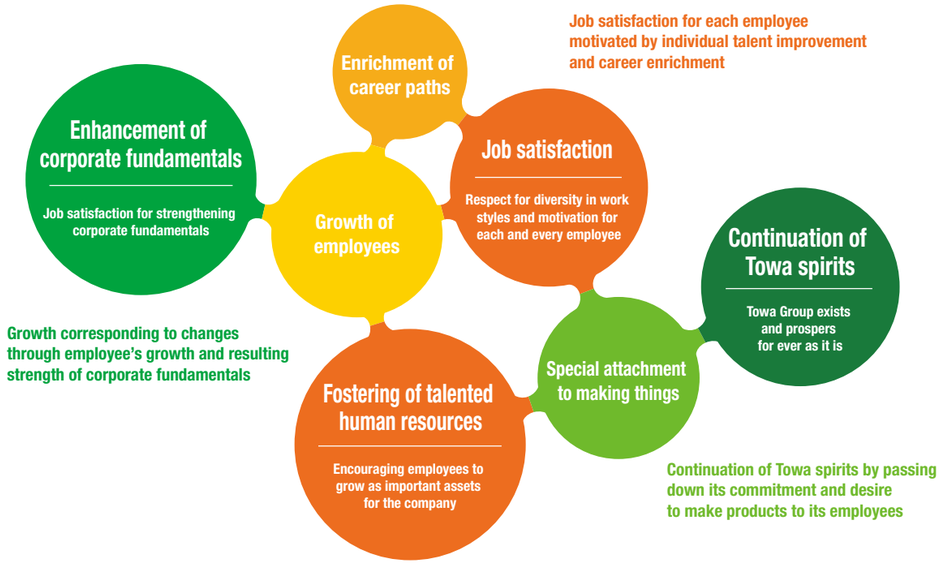
Pharmaceuticals production is based on Good Manufacturing Practice (GMP), the standards for manufacturing control and quality control for drugs laid down by the nation.

The Company has put in place procedures compliant with the GMP three principles in all of our plants in Yamagata, Osaka, and Okayama, and strives to manufacture reliable-quality pharmaceuticals.





Making Job Satisfaction and Fostering Talented Human Resources



Career Development Support

The Company is committed to "career development support" for employees as part of our human resources strategy, and strives to realize the continuous personal growth of employees and create opportunities for employees to demonstrate their abilities to the maximum extent. By so doing, we aim to create an organization where employees can work vibrantly, and thereby become an organization and a company where all employees feel a sense of job satisfaction.

More specifically, the Company holds interviews between individuals and the Human Resources Division staff and conducts career development training for those in managerial positions based on internal questionnaire surveys, so that the Company can support their independent career development. In addition, we conduct career development training every year for those who are newly appointed to managerial positions and those who are in the fourth year since their hiring upon graduation. Meanwhile, the Career Development Department proactively discusses initiatives toward career development support and reports the results of their discussions to the Executive Monitoring Meeting.

Our Commitments (T-SMILE)

We have established a new course of action named T-SMILE. This is our philosophy created when we marked the 70th anniversary of our foundation to accommodate our growth and increasing employees and further disseminate our vision to employees.

T-SMILE is an acronym of six words: Truthful that means sincerity, honesty and fairness; Speed that represents swift decision-making, action and information sharing; Mission that expresses missions and passion to be of service to help people maintain their good health in communities around the world; Idea that represents creativity and imagination to challenge for unprecedented transformation; Linkage that gives the impressions of connections between people and information, coexistence, and co-prosperity; and Excellence that represents the mind to choose the most appropriate technologies that fit with the times and highest quality. These words serve as a course of action and criteria based on which employees help realize the Group's vision "We contribute to people's health. We are dedicated to people's genuine smiles" through corporate activities.

Original Qualification Systems

From the perspective of ensuring reliable quality and safety, we develop employees with high awareness through our educational training programs and original qualification systems. Specific examples include a GMP auditor certification and an expert certification system. The expert certification system is a system whereby we certify our employees who have a higher degree of technical skills and greater knowledge in manufacturing, packaging, testing, and quality assurance units. In addition, we have introduced a "specialist MR system" as an internal qualification. We aim to develop MRs who can contribute to team medical services as specialists with knowledge in specific fields such as cancer, psychiatric disorder, and primary care, providing more appropriate information to healthcare professionals. In addition to the foregoing, in FY2021, we established a new "inventory observer qualification" as an internal qualification.

Going forward, by promoting various certification systems, the Company will help employees in each area develop into specialists in manufacturing control and quality control. Meanwhile, we aim to develop employees who are highly aware of ensuring quality and safety.

2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)

We were recognized as one of White 500 enterprises (large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (organization that takes practical community- and workplace-based actions, through collaboration among private organizations and with full administrative support, in order to extend the healthy lifespan of and provide appropriate medical care for each individual in Japan.).

The program started in FY2017 to recognize companies that care about employees' health management from a business-management perspective and strategically implement relevant initiatives. We have been recognized as one of the enterprises for six consecutive years. This year, we were recognized as one of White 500 enterprises, the top 500 implementing a higher level of health and productivity management.

2023 健康経営優良法人 Health and productivity ホワイト500

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. The logo features a swaddled baby. The Ministry of Health, Labour and Welfare grants the certification logo if it certifies companies as childrearing-friendly businesses.

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 for the maximum length, 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
Rate of holding interviews with the Human Resources Division staff	100% (October 2022 to the end of September 2023)	97.4% (Result for June 2021 to March 2022)
Ratio of women in management positions	Achieve 13%	12.8% (As of March 2023)
Ratio of paid leave taken	Achieve 65%	66.3% (Result for FY2022)

Towa Health Challenge 2023

In June 2023, we had a health measurement event called "Towa Health Challenge 2023." This event was aimed to encourage our employees to think about their own health. This event is a substantial one, in which seven items, namely, vascular age and stress, body composition, cognitive ability, muscle strength and balance, joint range of motion, walking posture, and general endurance, are measured and "training movies" are delivered on a continuous basis based on the measurement results. Awards were also presented to employees who had achieved particularly outstanding results in "Towa Health Challenge 2022" conducted in the previous fiscal year. To help our employees improve their lifestyle habits, we will continue to hold the event as an annual company-wide event.

Social Contribution Activities

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 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 conclude joint use contracts for company-sponsored daycare centers of other companies to provide additional options. In this way, we are committed to creating an environment where employees find it easier to be reinstated after parental leave.

On-demand Lectures

We deliver on-demand lectures using our technical skills and content for children through an event called "After-school Educational Program for Kids" held in elementary school districts of Osaka Prefecture so that children can have an enriching learning experience. We so far delivered lectures including the one themed "Let's do an experiment and explore the secrets of medicine! —Generics are full of ingenious ideas—"

High School Student Business Contest

We held a "High School Student Business Contest for the Future and People's Health" for the fourth time in FY2022. 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.

高校生 未来健康 ビジコン2023

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 and other plants used as herbal medicine. Mongolia's industries to support its economy that are unique to itself are limited, and in addition, the country is facing a serious issue of desertification of land. Accordingly, as the Company had a relationship with the country through trading of pharmaceutical products, we have pushed forward with support to Mongolia.

We have been working to encourage the cultivation of licorice in this country in the recognition of the large number of licorice plants growing wild in the vast grasslands. Licorice is heavily used as a natural food additive, and also used for herbal medicine. It is a valuable plant that can be used as a pharmaceutical ingredient because glycyrrhizic acid can be extracted.

However, licorice requires at least five years from planting to harvest to be used as raw materials for herbal medicine. Therefore, the Company has initiated a "100-Year Plan" in which we support activities ranging from securing cultivation land to planting, managing, and harvesting licorice, which are followed by drying, chipping and sales. Going forward, we are committed to contributing to development of industries in Mongolia through cooperation with local people by making the local licorice extraction and sales possible to make the plant into pharmaceutical products.

Sustainability

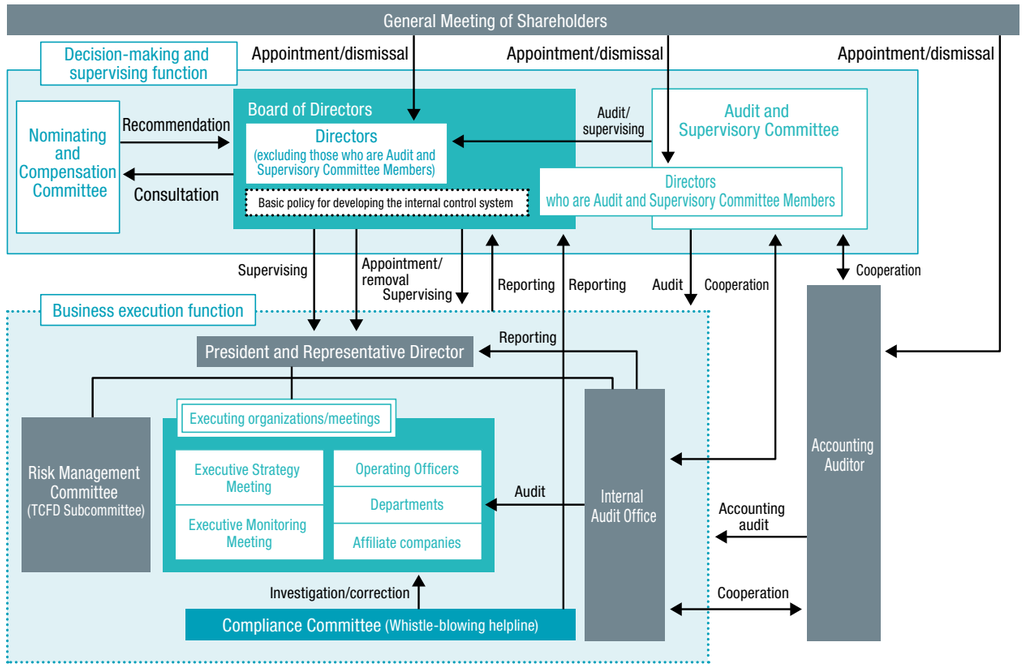
Governance

[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 seven 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 2023, 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 meeting of the Board of Directors held on April 17, 2023.

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

		Corporate management	Management strategy Business strategy	Finance/ Accounting	Legal affairs/ Risk management	Personnel	Purchasing	R&D	Production	Quality control/ Reliability assurance	Global
Inside Directors	Itsuro Yoshida	●	●	●	●	●	●		●		
	Masao Tanaka	●	●	●	●	●					
	Osamu Uchikawa	●	●					●			●
	Norikazu Inoue				●	●					
Outside Directors	Norikazu Eiki	●	●		●			●	●	●	●
	Kaori Oishi				●						
	Kenryo Goto	●	●	●	●						

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.

The Company formulated the basic policy for the determination of Directors' compensation as detailed on the next page. 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

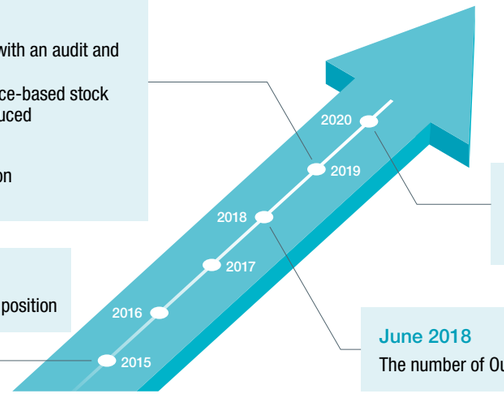
Name and position	Reasons for nomination	Attendance	
Outside Director (Audit and Supervisory Committee Member) **Norikazu Eiki** Assumed the office in June 2019	Norikazu Eiki has wide-ranging insights and extensive experience at a global company, and the Company expects that his advice and opinions will promote sound, efficient, and objective management, for which reason it has appointed him as an Outside Director.	Board of Directors meetings (held 14 times) 100%	Audit and Supervisory Committee meetings (held 13 times) 100%
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 as well as from a female perspective, for which reason it has nominated her as an Outside Director.	Board of Directors meetings (held 14 times) 100%	Audit and Supervisory Committee meetings (held 13 times) 100%
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 his advice and opinions based on such a background will improve the transparency and objectivity of management, for which reason it has nominated him as an Outside Director.	Board of Directors meetings (held 14 times) 100%	Audit and Supervisory Committee meetings (held 13 times) 100%

History of Towa's corporate governance

June 2019
Towa transitioned to a company with an audit and supervisory committee
The mid- to long-term performance-based stock compensation system was introduced

October 2019
The Nominating and Compensation Committee was established

June 2015
An Outside Director assumed the position



June 2020
A woman assumed the position of Outside Director

June 2018
The number of Outside Directors increased to two

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)	156	107	16	25	7	3
Directors who are Audit and Supervisory Committee Members (of which Outside Directors)	49 (26)	49 (26)	— (—)	— (—)	— (—)	4 (3)
Total (of which Outside Directors)	206 (26)	157 (26)	16 (—)	25 (—)	7 (—)	7 (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 President and Representative Director, who is the chief risk officer.

Risk Management Committee

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.

The Committee consists of 17 members including Representative Director Itsuro Yoshida, who serves as the chief risk officer. In addition, Director (Audit and Supervisory Committee Member) Norikazu Inoue attends meetings of the committee as an observer.

In terms of the impact of climate change on the Company's business activities and earnings, etc., a subordinate organization of the committee, beginning in FY2022, works to implement scenario analysis and consider GHG emissions reduction measures, based on the recommendations of Task Force on Climate-related Financial Disclosures (TCFD). We strive to disclose the information, upon report to the Board of Directors, as appropriate.

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.

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. 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 the value of the products while engaging in cost reduction activities by reducing procurement costs of raw materials and increasing 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.
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 depreciation of 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 US 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 US. 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.
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.
Stagnation and delay of production owing to disasters and other causes	The Group has production sites in Japan (Osaka, Okayama, Yamagata, Shiga, Hyogo, and Shizuoka 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 Towa Pharma International Holdings, S.L. ("Towa HD") in January 2020. We expect that the acquisition of Towa HD will contribute to building a global structure and providing our value-added products to the market in Europe and the United States. However, the Group's financial position and business performance could be affected if the acquisition of Towa HD fails to produce the expected effects owing to changes in business environments and business operations of Towa HD, effects of local systems and regulations, possible delay in the progress of the integration process between Towa HD and us, or events unrevealed during due diligence. The Group strives to strengthen a global management structure through the integration process between Towa HD 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.
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 from Class II Infectious Disease to Class V Infectious Disease on May 8, 2023. As of the date of issuance of this Integrated Report (on November 30th, 2023), the Group expects that the impact of the infection becomes even less severe. However, if the infection situation were to worsen in the future, it may cause an impact on the Group's sales and production. Meanwhile, the dire Russia-Ukraine situation is affecting the global economy, causing soaring prices of energy and raw materials, 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 whistle-blowing 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.

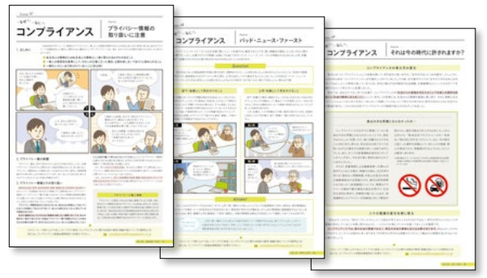
In addition, because each organization needs to carry out activities such as promotion of and corrective actions for compliance autonomously, we have designated Division Managers and Plant Managers as Departmental Compliance Promotion Supervisors, and Department Managers as Departmental Compliance Promoters. 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 President's message 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., the EU/US Regional Headquarters, for the officers and employees of our subsidiaries overseas. We regularly receive their reports on the status of whistle-blowing received and investigation.

Message from the Outside Directors

Providing genuine smiles through Towa Quality

Norikazu Eiki
Outside Director (Audit and Supervisory Committee Member)

The pharmaceutical industry currently faces three major, unprecedented issues. They are (1) the stable supply of generics, (2) a drug discovery capability decline, drug lag and drug loss, and (3) distribution and pharmaceutical pricing systems. In response to these issues, at Towa Pharmaceutical, we conduct free and serious debate in the monthly meetings of the Audit and Supervisory Committee Members and Board of Directors. Further, to deepen our understanding of specific themes, we hold separate meetings between the senior managers and the Outside Directors. Towa will launch its 6th Mid-term Business Plan next fiscal year (from April 2024). I hope to contribute to the Company's efforts to demonstrate its strength, namely Towa Quality, to the full in all situations so that it may offer many smiles to people in Japan and throughout the world.

Efforts to fulfill a social mission and deepen discussions in the Board of Directors

Although the role expected of generics manufacturers is growing in importance, quality problems by certain manufacturers in the generics industry have caused concerns about stability of supply and product quality, and the situation has yet to be resolved. Even under such severe circumstances, viewing its vision of contributing to people's health as its social mission, Towa is working steadfastly to expand its production capacity, as well as to unite across the Company as a whole to realize the manufacture of sophisticated products with No. 1 total product performance under thorough quality control. The enthusiasm with which the Company is working toward these goals is conveyed deeply even to me as Outside Director. In the Board of Directors, lively discussion takes place about issues such as the fostering of talented human resources and the environment, with the social mission that Towa should fulfill in mind. I hope to see even more in-depth debate aimed at the further promotion of sustainability management.

Kaori Oishi
Outside Director (Audit and Supervisory Committee Member)

We want to help the industry to return to normal

Kenryo Goto
Outside Director (Audit and Supervisory Committee Member)

The problem of insufficient supply of generics has, unfortunately, not been eliminated since it first emerged in 2020. In light of structural challenges, a panel of experts convened to consider this problem has recommended the development of a scheme for the market to commend companies that are able to provide stable supply of generics of assured quality. Deliberations are still ongoing.

In its desire to play a part in returning the industry to normal, Towa is working to expand its production capacity and is in the process of formulating its new Mid-term Business Plan to start in FY2024. I hope to support those efforts from the perspective of corporate governance.

In accordance with our vision of supporting "genuine smiles" by contributing to people's health, I hope that, with my outsider's perspective, I can help the Company ensure a stable supply of products that can be used with peace of mind in Japan and the rest of the world.

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.) (to present)
October 2010	Chairman and Representative Director of Daichi Kasei Co., Ltd.

Masao Tanaka
Director

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 (to present)
April 2021	Chairman and Representative Director of Protosera Inc. (to present)
July 2021	President and Representative Director of Protosera Inc. (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)

Norikazu Inoue
Director (Full-time Audit and Supervisory Committee Member)

October 2011	Joined the Company / Deputy-General Manager of General Affairs Department, Administration Division
April 2014	General Manager of General Affairs Department, Administration Division
April 2015	General Manager of General Affairs Department, General Affairs Division
October 2016	General Manager of General Affairs Department, Administration Division
April 2017	Operating Officer / General Manager of General Affairs Department, Administration Division
April 2019	Senior Operating Officer / Division Manager of Administration Division / General Manager of General Affairs Department
April 2020	Senior Operating Officer / Division Manager of Administration Division
April 2023	Senior Operating Officer / In charge of Administration Division
June 2023	Director (Audit and Supervisory Committee Member) (to present)

Norikazu Eiki
Outside Director (Audit and Supervisory Committee Member)

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 the Board 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 Kidswell Bio Corporation (to present)
June 2019	Outside Director (Audit and Supervisory Committee Member) 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.

Kenryo Goto
Outside Director (Audit and Supervisory Committee Member)

September 1981	Joined Asahi & Co. (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	Representative of 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)