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Securities Code: 4540

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To Our Shareholders:

Terukazu Kato
President, Representative Director and CEO
TSUMURA & CO.
17-11 Akasaka 2-chome, Minato-ku, Tokyo

Notice of the 88th Ordinary General Meeting of Shareholders

We are pleased to announce that you are cordially invited to the 88th Ordinary General Meeting of Shareholders of TSUMURA & CO. (the “Company”), which will be held as indicated below.

When the Company convenes a general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters subject to measures for electronic provision) in electronic format. The whole matters subject to measures for electronic provision are posted on the Company’s website, while a part of them is attached in writing to the written documents for shareholders’ convenience. Please access the Company’s website by using the internet address shown below to review the information.

[The Company’s website]

<https://www.tsumura.co.jp/ir/stock/shareholders/index.html> (in Japanese)

* The materials are also available on the following websites.

Websites on which materials for the General Meeting of Shareholders are posted:

<https://d.sokai.jp/4540/teiji/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Tsumura” in “Issue name (company name)” or the Company’s securities code “4540” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for General Meeting of Shareholders and exercise your voting rights by **5:45 p.m. on Wednesday, June 26, 2024 (JST)**.

1. **Date and Time:** Thursday, June 27, 2024, at 10:00 a.m.
2. **Venue:** “Ho’oh,” 1st floor, THE CAPITOL HOTEL TOKYU
10-3 Nagatacho 2-chome, Chiyoda-ku, Tokyo

3. **Purpose of the Meeting**

Matters to be reported

1. Business Report and Consolidated Financial Statements for the 88th fiscal year (from April 1, 2023, to March 31, 2024) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the 88th fiscal year (from April 1, 2023, to March 31, 2024)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Other Matters Regarding the Exercise of Voting Rights

- If a voting card is received without giving any indication of approval or disapproval of any or all of the proposals, it will be counted as a vote for the proposal concerned.
- If you vote multiple times via the Internet indicating different positions on the same proposal in each voting exercise, only your most recent vote will count as valid.
- If you exercise your voting rights both in writing and via the Internet, only the vote placed via the Internet will be treated as valid.
- If you are unable to attend the general meeting of shareholders in person, you may appoint another shareholder with voting rights in the Company to attend as your proxy. Please note, however, that it is necessary to submit a document evidencing the authority of proxy.

- ◎ If revisions to the matters subject to measures for electronic provision arise, notice of the revisions along with the matters before and after revision will be posted on the respective websites where they are posted.
- ◎ Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Company’s Articles of Incorporation, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents.
The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including the following matters.
 - i) **“System to ensure the appropriateness of business operations” and “Summary of the operational status of the system to ensure the appropriateness of business operations” described in the Business Report**
 - ii) **“Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” sections of Consolidated Financial Statements**
 - iii) **“Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” sections of Non-consolidated Financial Statements**These matters i) through iii) are posted on the Company’s website on the previous page.
- ◎ Please note that starting this time, we will publish the results of the resolutions of the General Meeting of Shareholders on the Company’s website listed on the previous page and will no longer send written documents to shareholders.

Reference Documents for General Meeting of Shareholders

Proposal No. 1

Proposal No. 1: Appropriation of Surplus

The Company regards the return of profit to shareholders as its important policy. We have determined the return to shareholders by taking into account medium- and long-term profit levels, cash flows, and balance sheet management, etc. We are striving to increase corporate value through efforts to achieve sustainable business growth in Japan and implementing growth investments and laying the foundations for the China business. Setting DOE (dividend on equity ratio) as its indicator, the Company aims to enhance dividends with the goal of 5% DOE as the target level for FY2031.

■ Year-end dividends

1) Type of dividend property

Cash

2) Allotment of dividend property and the aggregate amount

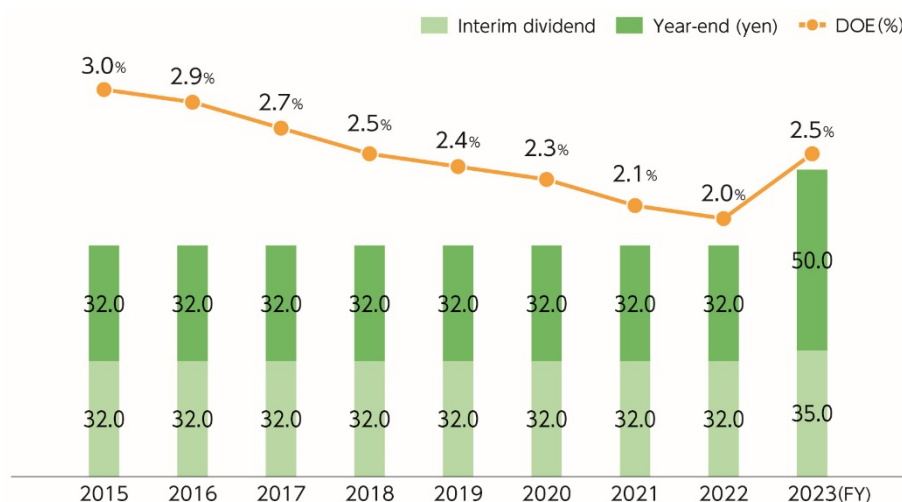
The Company proposes to pay a dividend of ¥50 per common share of the Company.

The total dividends will be ¥3,826,423,250.

3) Effective date of payment of dividends of surplus

June 28, 2024

<Trend of Dividends>



(Note 1) Concerning the dividends per share and DOE for FY2023 (fiscal year ended March 31, 2024), matters concerning the dividends per share of common stock are being presented as a proposal of the 88th Ordinary General Meeting of Shareholders, and the figures shown here are based on the assumption that this proposal is approved.

(Note 2) DOE: Dividend on equity ratio

An indicator to show what level of dividends are being paid as a percentage of equity.

Proposal No. 2

Proposal No. 2: Election of Six (6) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this general meeting.

Accordingly, the Company proposes to elect six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members).

Following discussions by the Audit and Supervisory Committee based on deliberations of the Nomination/Remuneration Advisory Committee attended by all of two (2) Outside Directors who are Audit and Supervisory Committee Members, the Audit and Supervisory Committee believes that the nominating procedure was properly followed and all candidates are adequate to serve as Directors of the Company.

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

Candidate No.	Name	Current Position in the Company			
1	Terukazu Kato	President, Representative Director and CEO	Reelection		
2	Kei Sugii	Director, Co-COO	Reelection		
3	Muneki Handa	Director, CFO	Reelection		
4	Hiroshi Miyake	Outside Director	Reelection	Outside	Independent
5	Tadashi Okada	Outside Director	Reelection	Outside	Independent
6	Ryohei Yanagi	Outside Director	Reelection	Outside	Independent

1	Terukazu Kato	(Age 60)	Current Position in the Company
	Date of Birth	August 26, 1963	President, Representative Director and CEO

Reelection

To our shareholders

Under the corporate philosophy “The Best of Nature and Science,” the Tsumura Group aims to realize people’s mental and physical health and realizing a spiritually rich society through pharmaceuticals and other products derived from natural products. Inspired by the wonders of nature, we will create new value by learning from its teachings, and conduct management with our Corporate Purpose “Lively Living for Everyone,” our ultimate business motive and philosophy.

We will dedicate our utmost efforts to enhancing corporate value by creating new social value, such as expanding access to medical care and extending healthy life expectancy. We sincerely ask for the continued support of our shareholders.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company’s Shares Owned 40,400 Shares ■ Status of attendance to Board of Directors meetings: 19/19 (100%) ■ Material relationship with the Company
<p>Apr. 1986 Joined the Company</p> <p>Aug. 2001 President and Representative Director, TSUMURA USA, INC.</p> <p>Jan. 2006 Head of Public Relations Department, TSUMURA & CO.</p> <p>Apr. 2007 General Manager, Head of Corporate Communications Department, TSUMURA & CO.</p> <p>Jun. 2011 Director and Executive Officer, Head of Corporate Communications Department, TSUMURA & CO.</p> <p>Jun. 2012 President and Representative Director, TSUMURA & CO.</p> <p>Jun. 2015 President and Representative Director and President and Executive Officer, TSUMURA & CO.</p> <p>Jun. 2019 President, Representative Director and CEO, TSUMURA & CO. (incumbent)</p>	<p>None</p>

- Reasons for the nomination as a candidate for Director

As a chairman of the Board of Directors, Mr. Terukazu Kato has operated the Company’s corporate governance system and strengthened it in several phases, and worked to structure the Board of Directors to have majority Outside Directors, establish the Nomination/Remuneration Advisory Committee with an Outside Director as its committee chairman, and improve the effectiveness of the Board of Directors, while successfully carrying out his responsibilities in making important management decisions and supervising the execution of business.

In addition, he delegated business execution authority to COO (or Co-COO under the cooperative COO system) and finalized the group-wide management policy as well as the corporate strategy as CEO, established the management system, carried on external negotiations and made efforts in developing management-level human resources. In order for the Company to implement the corporate philosophy stated in the corporate purpose, and pursue the aim of achieving sustainable growth and enhancing its corporate value through the realization of the long-term management vision, TSUMURA VISION “Cho-WA” 2031, the Board of Directors believes that he is one of the most well-qualified candidates.

If his election as a Director is approved, Mr. Kato will assume the position of President, Representative Director and CEO of the Company.

2	Kei Sugii	(Age 54)	Current Position in the Company
	Date of Birth	December 16, 1969	Director, Co-COO

Reelection

To our shareholders

This fiscal year (ending March 2025) is the final year of the three years of the first medium-term management plan, which is the stage for laying foundations for realizing the long-term management vision, TSUMURA VISION “Cho-WA” 2031. We will continue to make upfront investments in R&D, production facilities, digital transformation and other areas to build solid foundations that will contribute to sustainable business growth and stable product supply as we strive to achieve our stated goals and solve strategic challenges.

We will create shared value that is rooted in a sustainable society and the natural environment and will strive to increase our corporate value so that we can contribute to the good of society. We ask our stakeholders to have high expectations for the future of our Group and to continue to support us.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 5,800 Shares ■ Status of attendance to Board of Directors meetings: 19/19 (100%) ■ Material relationship with the Company
<p>Apr. 1994 Joined Mitsubishi Petrochemical Engineering Corporation (currently MITSUBISHI CHEMICAL ENGINEERING CORPORATION)</p> <p>Jan. 2006 Joined Accenture Japan Ltd</p> <p>May 2009 Joined the Company</p> <p>Apr. 2013 Head of Logistics Planning Department, TSUMURA & CO.</p> <p>Apr. 2016 Head of SCM Planning Department, TSUMURA & CO.</p> <p>Apr. 2017 General Manager, TSUMURA & CO. General Manager, SHENZHEN TSUMURA MEDICINE CO., LTD.</p> <p>Apr. 2018 General Manager, TSUMURA & CO. Chairman and General Manager, SHENZHEN TSUMURA MEDICINE CO., LTD.</p> <p>Apr. 2020 Executive Officer, Head of Production Division, TSUMURA & CO.</p> <p>Apr. 2022 Co-COO, TSUMURA & CO.</p> <p>Jun. 2022 Director, Co-COO, TSUMURA & CO (incumbent)</p>	<p>None</p>

- Reasons for the nomination as a candidate for Director

Mr. Kei Sugii has extensive experience and insight accumulated through his work in a general consulting company. He has served as Chairman and General Manager of the Company's group company in China, and since April 2020, he has acquired experience as Executive Officer, Head of Production Division. In addition, from April 2022 as Co-COO, he has been engaged in group-wide business operations based on management policy and corporate strategy and has been controlling the overall business execution to achieve the plan. In June 2022, he assumed the position of Director, Co-COO. Based on the above reasons, the Board of Directors has full confidence in his ability to carry out his responsibilities, including making important management decisions at the Board of Directors meetings and supervising the execution of business. Therefore, the Board of Directors nominates him as a candidate for Director.

If his election as a Director is approved, Mr. Sugii will assume the position of Director, Co-COO of the Company.

3	Muneki Handa	(Age 61)	Current Position in the Company
	Date of Birth July 7, 1962		Director, CFO

Reelection

To our shareholders

The TSUMURA Group formulated its first medium-term management plan based on its long-term management vision, TSUMURA VISION “Cho-WA” 2031. We have been working to achieve it, and this fiscal year is the final year of the plan.

Although the business environment surrounding the Company has changed significantly since the time we formulated the plan, we have since made various investments and implemented various measures to increase corporate value on a continuous growth basis. In the plan’s final year, we will continue to accelerate our business activities with urgency.

In line with our new capital policy, which we announced last year, we will do our utmost to meet the expectations of our shareholders, and we ask for your continued support.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company’s Shares Owned 9,500 Shares ■ Status of attendance to Board of Directors meetings: 19/19 (100%) ■ Material relationship with the Company
<p>Apr. 1985 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.)</p> <p>Jun. 2014 Executive Officer and Managing Director, Head, Retail Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jun. 2015 Deputy President, Mitsubishi UFJ Capital Co., Ltd.</p> <p>Jun. 2016 President, Mitsubishi UFJ Capital Co., Ltd.</p> <p>May 2019 Advisor, TSUMURA & CO.</p> <p>Jun. 2019 Director, Managing Executive Officer and CFO, TSUMURA & CO.</p> <p>Apr. 2021 Director, CFO, TSUMURA & CO. (incumbent)</p>	<p>None</p>

- Reasons for the nomination as a candidate for Director

Mr. Muneki Handa has extensive experience and insight through his many years of working at financial institutions and has served as a representative director and president at a venture capital firm. He has executed business as the Executive Officer in charge of corporate planning, accounting and finance, IT, and other aspects, and he possesses extensive insight of public relations, IR, sustainability, etc. In addition, as CFO, he has executed business relating to group-wide financial strategies, etc. and has formulated management plans based on management policy and corporate strategy. Based on the above reasons, the Board of Directors has full confidence in his ability to carry out his responsibilities, including making important management decisions at the Board of Directors meetings and supervising the execution of business.

Therefore, the Board of Directors nominates him as a candidate for Director.

If his election as a Director is approved, Mr. Handa will assume the position of Director, CFO of the Company.

4	Hiroshi Miyake	(Age 74)	Current Position in the Company
	Date of Birth	August 4, 1949	Outside Director

Reelection Outside Independent

To our shareholders

Although the COVID-19 pandemic is coming to an end, the outlook for the future is extremely unclear with the crisis in Ukraine, interest rate hikes in the U.S., rising materials prices, and many other uncertainties. Under the effect of these conditions, the Company's management faces acute inflation, which is a complete change from the long-standing deflationary economy. Moreover, the number of births has fallen below 0.8 million for the first time, which highlights again a significant issue to realize a society where it is easy to have children and a healthy and long-lived society. While I do not feel optimistic about the environment surrounding the Company, I will devote my utmost energies in pursuit of the Company's Corporate Purpose "Lively Living for Everyone" to ensure the Company is needed by society and can provide solutions and contribute to society.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 3,300 Shares ■ Status of attendance to Board of Directors meetings: 19/19 (100%) ■ Material relationship with the Company
<p>Apr. 1973 Joined Mitsubishi Corporation</p> <p>Oct. 2000 General Manager, Paper & Packaging Raw Materials Division, Mitsubishi Corporation</p> <p>Apr. 2001 Deputy Division COO, General Merchandise Division, Mitsubishi Corporation</p> <p>Apr. 2003 Deputy General Manager, Kansai Branch, Mitsubishi Corporation</p> <p>Apr. 2005 Senior Vice President, Mitsubishi Corporation President, Mitsubishi International GmbH, and Deputy Regional CEO for Europe (retired in May 2009)</p> <p>May 2009 Advisor, Tokai Pulp & Paper Co., Ltd.</p> <p>Jun. 2009 Managing Executive Officer, Tokushu Tokai Holdings Co., Ltd. (retired in June 2010)</p> <p>Jun. 2010 Senior Managing Executive Officer, Tokushu Tokai Paper Co., Ltd.</p> <p>Jun. 2014 Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd.</p> <p>Jun. 2015 Representative Director, Executive Vice President, Tokushu Tokai Paper Co., Ltd.</p> <p>Jun. 2016 Advisor, Tokushu Tokai Paper Co., Ltd. (retired in October 2016)</p> <p>Oct. 2016 Advisor, Nippon Tokai Industrial Paper Supply Co., Ltd. (retired in March 2018)</p> <p>Jun. 2018 Outside Director, TSUMURA & CO. (incumbent)</p>	<p>None</p>
<ul style="list-style-type: none"> ■ Tenure as an Outside Director <p>At the conclusion of this general meeting, Mr. Miyake will have served in the position for six (6) years.</p>	

● Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Hiroshi Miyake has extensive experience and insight as a corporate manager developed over many years and has business experience in and outside Japan. He served as a president of the local subsidiary of a general trading company in Germany. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination/Remuneration Advisory Committee, he proactively makes statements and deepens discussions that contribute to sound corporate management. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee again after his election.

5	Tadashi Okada	(Age 68)	Current Position in the Company
	Date of Birth	May 1, 1956	Outside Director

Reelection Outside Independent

To our shareholders

The Group formulated the first medium-term management plan to realize its long-term management vision, TSUMURA VISION “Cho-WA” 2031, and this fiscal year is the final year of the plan. The realization of this vision is aimed at solving social issues through business, thereby ensuring our sustainable growth and increasing our medium- to long-term corporate value. In particular, the Board of Directors considers the establishment of a sustainable and stable supply system and the expansion and enhancement of the China business to be the most important issues for our sustainable growth, and the Board will proactively address them. I will utilize my experience and knowledge to date to contribute to activities concerning these issues. I will also continue working to strengthen the oversight function of the Board of Directors for higher corporate governance.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company Apr. 1979 Joined Komatsu Ltd. Apr. 2000 General Manager of Business Development Department, Komatsu Ltd. Apr. 2003 Vice President of Komatsu (China) Ltd. Apr. 2006 General Manager of Corporate Communications Department, Komatsu Ltd. Apr. 2007 Executive Officer, General Manager of Corporate Communications Department, Komatsu Ltd. Apr. 2008 Executive Officer, General Manager of Corporate Planning Division, Komatsu Ltd. Feb. 2009 Executive Officer, Vice President of Industrial Machinery General Headquarters, Komatsu Ltd. Apr. 2011 Senior Executive Officer, President of Industrial Machinery Division, Komatsu Ltd. Apr. 2014 Senior Executive Officer, Supervising Corporate Communications, CSR, General Affairs, and Compliance, Komatsu Ltd. (retired in March 2017) Jun. 2017 Representative Director and Chairman of QUALICA Inc. (retired in June 2021) Jun. 2020 Outside Director, TSUMURA & CO. (incumbent) ■ Tenure as an Outside Director At the conclusion of this general meeting, Mr. Okada will have served in the position for four (4) years. 	<ul style="list-style-type: none"> ■ Number of the Company's Shares Owned 600 Shares ■ Status of attendance to Board of Directors meetings: 19/19 (100%) ■ Material relationship with the Company <p style="text-align: center;">None</p>
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● Reasons for the nomination as a candidate for Outside Director and overview of expected role

Mr. Tadashi Okada has extensive experience and insight as a corporate manager developed over many years and business experience in and outside Japan. In China, he served as a vice president of the China business headquarters of a construction machinery company. In addition, at the Company, he has fully performed his role, including making important management decisions and supervising the execution of business. At the Board of Directors and Nomination/Remuneration Advisory Committee, he proactively makes statements and deepens discussions contributing to the sustainable enhancement of corporate value. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director and expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee again after his election.

6	Ryohei Yanagi	(Age 61)	Current Position in the Company
	Date of Birth July 6, 1962		Outside Director

Reelection Outside Independent

To our shareholders

The Group’s philosophy-based management gives priority to both social value and economic value, which I believe will lead to the creation of shared value. In addition to promoting individual measures that contribute to patients, I led the “Capital Policy Meeting” as a financial expert, which led to the “Revision of Basic Capital Policy and Shareholder Return Policy” last November. Going forward, I will continue to promote these policies and contribute to increasing shareholder value. Also, from a sustainable management perspective, my years of research and practice suggest that non-financial assets and corporate value are positively related. With the knowledge and experience I have gained over the course of my career, I will do my utmost to contribute to the advancement of good corporate governance and the creation of long-term, sustainable corporate value.

<ul style="list-style-type: none"> ■ Career summary, position and responsibility in the Company, and major positions held outside the Company 	<ul style="list-style-type: none"> ■ Number of the Company’s Shares Owned 200 Shares ■ Status of attendance to Board of Directors meetings: 15/15 (100%) ■ Material relationship with the Company
<p>Apr. 1985 Joined The Saitama Bank, Ltd. (The Asahi Bank, Ltd., currently Resona Bank, Limited) (retired in September 2003)</p> <p>Oct. 2003 Joined Eisai Co., Ltd.</p> <p>Apr. 2005 General Manager of the Finance Dept., Eisai Co., Ltd. (retired in March 2007)</p> <p>Apr. 2007 Joined UBS Securities Japan Co., Ltd., Executive Director (retired in August 2009)</p> <p>Sep. 2009 Rejoined Eisai Co., Ltd., General Manager of the IR Dept.</p> <p>Apr. 2013 Vice President, Deputy CFO & Chief IR Officer, Eisai Co., Ltd.</p> <p>Jun. 2015 Senior Vice President & CFO, Eisai Co., Ltd.</p> <p>Jun. 2019 Executive Vice President & CFO, Eisai Co., Ltd.</p> <p>Apr. 2022 Visiting professor of Waseda University, Graduate School of Accountancy (incumbent)</p> <p>Jun. 2022 Senior Advisor, Eisai Co., Ltd. (incumbent)</p> <p>Jul. 2022 Executive Advisor, ABeam Consulting Ltd. (incumbent)</p> <p>Oct. 2022 Deputy President, M&G Investments Japan Co., Ltd. (incumbent)</p> <p>Jun. 2023 Outside Director, TSUMURA & CO. (incumbent)</p>	<p>None</p>
<ul style="list-style-type: none"> ■ Tenure as an Outside Director <p>At the conclusion of this general meeting, Mr. Yanagi will have served in the position for one (1) year.</p>	

- Reasons for the nomination as a candidate for Outside Director and overview of expected role
- Mr. Ryohei Yanagi is a developer of the “Yanagi Model” which indicates a link between non-financial assets and corporate value, and has extensive experience and insights as a corporate financial officer and a visiting professor of a university for many years. In addition, the Company believes that he will enhance and accelerate disclosure of non-financial assets toward the creation of ESG and other value, and play a substantial role in the “visualization” of the value of organization and human capital, etc. Based on the above reasons, the Board of Directors has nominated him as a candidate for Outside Director. The Board of Directors expects that he will continue to fulfill the above role after being elected. It is also planned to appoint him as a member of the Nomination/Remuneration Advisory Committee after his election.

- (Note 1) The respective ages stated for each candidate are current as of June 27, 2024.
- (Note 2) The status of attendance to the Board of Directors meeting stated for each candidate is based on data for fiscal 2023 (from April 1, 2023, to March 31, 2024). The status of attendance for Mr. Ryohei Yanagi stated his attendance after he assumed office on June 29, 2023.
- (Note 3) For other notes regarding candidates, please refer to page 11.

■ The candidate for Director

1. Independent officer

The Company has deemed that the candidate for Outside Director has a high degree of independence because he/she satisfies the Company's Standards for Determination of Independence of Outside Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that the candidate has been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange.

2. Entering into a limited liability agreement

Pursuant to Article 427, paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with the candidate for Outside Director to limit his/her liability for damages arising from neglecting his/her duties under Article 423, paragraph 1 of the Companies Act. The limit under the agreement is the amount provided for by the applicable laws and regulations. If the candidates for Outside Director are elected, the Company plans to renew the aforementioned limited liability agreement.

3. Entering into a directors and officers liability insurance policy

Pursuant to Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The policy covers losses, such as the amount of indemnification and court costs, incurred in cases where an insured receives claims for damages from shareholders, the Company, employees or third parties during the insurance period arising from the performance of the Company's duties of the insured. The insureds in the policy are Directors, Executive Officers, and Officers, etc. of Group companies who have been seconded or dispatched from the Company. The insurance premiums are covered entirely by the Company and its Group companies. If each candidate for Director' election is approved, they will become insureds under the policy, and the Company plans to renew the policy with each candidate on July 1, 2024.

(Reference)

Standards for Determination of Independence

Outside Directors who do not fall under any of the following items shall be determined to have independence.

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1. A person who is or was in the past ten (10) years an Executive Director, Executive Officer (Shikkoyaku), Executive Officer (Shikkoyakuin), Manager, General Manager, employee, etc. (hereinafter referred to as “executives”) of the Company or its consolidated subsidiaries

 2. Persons or executives of a legal entity holding, whether directly or indirectly, 10% or more of the total number of voting rights of the Company

 3. A party for whom the Company or its consolidated subsidiaries^(*1) is a major business partner or executives of such party
 - *1. A party receiving payment from the Company or its consolidated subsidiaries equivalent to 2% or more of its annual net sales (non-consolidated) or monetary finance from the Company or its consolidated subsidiaries equivalent to 2% or more of its consolidated total assets in the most recent fiscal year

 4. A major business partner of the Company or its consolidated subsidiaries^(*2) or the executives of such business partner
 - *2. A business partner from whom the Company or its consolidated subsidiaries receives payment equivalent to 2% or more of the Company’s annual net sales or monetary finance equivalent to 2% or more of the Company’s consolidated total assets in the most recent fiscal year

 5. An audit corporation that serves as Accounting Auditor of the Company or its consolidated subsidiaries, or partners and others of the audit corporation

 6. Consultant, attorney, certified public accountant and others who provide professional services and obtain monetary and other financial benefits exceeding a cumulative amount of ¥10 million in the most recent fiscal year from the Company, excluding officer compensation

 7. Persons or executives of a legal entity receiving donations, grants and others in the amount exceeding ¥10 million from the Company or its consolidated subsidiaries in the most recent fiscal year

 8. A person to whom items 2 through 7 apply during the past three (3) years

 9. A person who is or was recently a spouse or within a second degree of consanguinity (hereinafter referred to as “close relative”) of executives in an important position of the Company or its consolidated subsidiaries

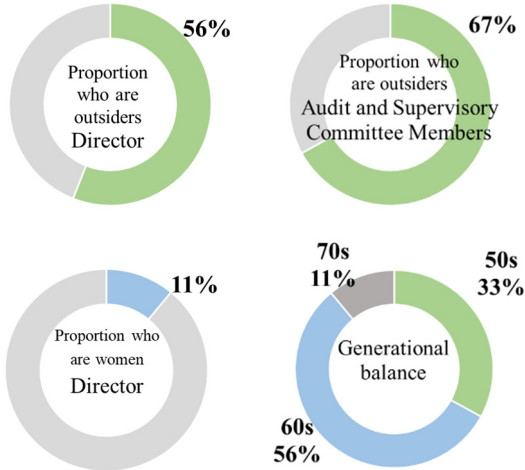
 10. A close relative of a person to whom any of the items 2 through 7 apply (excluding people who are not in an important position)

(Reference)
Approach to Diversity of Directors

The Tsumura Group formulates its long-term management visions and medium-term management plans in response to social demand and changes in the operating environment, and initiates various measures to achieve them. Along with our value creation cycle, we have, in particular, pursued and evolved a system for constantly making appropriate and prompt decisions regarding corporate governance, the foundation of management.

At present, Outside Directors account for a majority of the Directors. We have built highly effective governance systems to make decisions on important matters from diverse perspectives, such as those of people with corporate management experience, attorneys at law, and certified public accountants, and to ensure that decisions are not made based solely on the knowledge of inside directors.










We will continue to strengthen corporate governance in order to achieve sustainable growth.



(Note) The above shows the system in place as of the end of fiscal 2023.

(Reference) Skill Matrix of the Company's Board of Directors

We have selected the following skills that the Board of Directors needs in order to carry out the decision-making and management supervisory function for achieving the long-term management vision, TSUMURA VISION “Cho-WA” 2031. If Proposal No. 2 is approved as originally proposed at this Ordinary General Meeting of Shareholders, the composition of the Board of Directors and the skills possessed by each Director and Audit and Supervisory Committee Member will be as follows:

	Name	Gender	Age	Outside Independent	Corporate Management	Global	Sales/marketing	SDGs ESG	IT	Finance Financial accounting	Legal risk management	Human resources management
Directors	Terukazu Kato		60		◎	○	○	○	○	○		○
	Kei Sugii		54		○	○		◎	○			
	Muneki Handa		61		○		○		○	◎		○
	Hiroshi Miyake		74	●	○	○	◎	○	○			
	Tadashi Okada		68	●	○	◎ (China)		○	○		○	
	Ryohei Yanagi		61	●	○	○		○		◎		
Directors who are Audit and Supervisory Committee Members	Tomihiko Nagafuchi		59					◎			○	
	Mitsutoshi Matsushita (attorney at law)		53	●							◎	
	Akemi Mochizuki (certified public accountant)		70	●						◎		



Represents male



Represents female

(Note) The age stated above is current as of June 27, 2024.

Requirements for skill items

Corporate Management	A person who has experience as an executive officer at listed companies or has insights and experience necessary for the formulation of business strategies and has the ability to offer advice	Global	A person who has experience in overseas business management and has insights and experience regarding global corporate management
Sales/marketing	A person who has insights and experience regarding sales and marketing, or a person who is well-versed in the pharmaceutical industry and has the ability to offer appropriate advice on marketing	SDGs ESG	A person who has insights and experience in handling climate change and other environmental issues, or a person who has insights and experience regarding expertise of diversity, CSR, CSV, corporate governance, etc.
IT	A person who has insights in IT technologies, etc. and has the ability to recognize a challenge and propose solutions toward digital transformation	Finance Financial accounting	A person who has insights and experience of finance and financial accounting, or a person who has operational experience in financial institutions, or a person who is qualified as a certified public accountant or a tax accountant
Legal risk management	A person who has experience in risk management and has insights and experience of legal affairs and risks, or who is qualified as an attorney	Human resources management	A person who has experience in the formulation of human resources strategies and has insights and experience regarding the field of human resources development

* The “○” indicates the candidate meets the skill requirements, and the “◎” indicates particular expertise in that skill.

Board of Directors

The Board of Directors makes important decisions to ensure sustainable growth and enhance corporate value over the medium to long term. The Company aims to accelerate decision-making by separating business execution functions from the Board of Directors. At the same time, we are strengthening the supervisory function of general management by appointing Outside Directors to comprise the majority of the Board of Directors and appropriately reflecting their objective views from an independent perspective as experts with extensive experience.

<Main matters during the 88th fiscal year>

- Checking the progress of the first medium-term management plan;
- Checking the progress of the China business (including establishment of the corporate governance system);
- Development of management human resources who will embody the corporate purpose and philosophy;
- Checking the progress of strategic investment deals (investment in systems including facilities, R&D, M&A, digital transformation, etc.); and
- Capital policies, etc.

Nomination / Remuneration Advisory Committee

The Nomination/Remuneration Advisory Committee is a voluntarily established advisory body to the Board of Directors. The committee is composed of a majority of Outside Directors who have also been designated as independent directors as stipulated by the Tokyo Stock Exchange (including one Outside Director who is a member of the Audit and Supervisory Committee). These Outside Directors provide advice on matters related to the nomination and remuneration of Directors and Executive Officers, etc. based on inquiries by the Board of Directors and also submit reports to the Board of Directors on these subjects. The committee is composed of six (6) members, five (5) of whom, including the committee chairman, are Outside Directors who have also been designated as independent directors.

<Main matters during the 88th fiscal year>

- Proposal of election and dismissal of Directors to be submitted to the General Meeting of Shareholders;
- Draft proposals of election and dismissal of the Representative Director to be submitted to the Board of Directors;
- Draft proposals of candidates for Executive Officers to be submitted to the Board of Directors;
- Policies for electing Directors and Executive Officers, election process;
- Draft proposals for individual remuneration to be paid to Directors and Executive Officers; and
- Policies including the composition of Directors' remuneration, procedures for determining remuneration of Directors, etc.

Audit and Supervisory Committee

The Audit and Supervisory Committee audits the legality and adequacy of the execution of duties by Directors by conducting systematic audits in cooperation with the Internal Auditing Department, and the Audit and Supervisory Committee itself holds hearings on the status of business execution with Executive Officers, etc., attends meetings of the Executive Committee and other important meetings, exchanges information with Directors and Auditors, etc. of Group companies and monitors and verifies the establishment and implementation of internal control systems, including those related to financial reporting.

<Main matters during the 88th fiscal year>

- Audit policy and plan;
- Reelection and remuneration of audit corporation;
- Details of matters to be submitted to the General Meeting of Shareholders;
- Preparation of audit report; and
- Status of use of the hotline, etc.

Outside Directors' Meeting

The Outside Directors' Meeting collects and shares the information necessary for management decision-making. At the same time, it acts as a venue for the exchange of opinions regarding the necessity of discussions and other matters with the Board of Directors.

<Main matters during the 88th fiscal year>

- Advance explanation about matters to be discussed at the Board of Directors;
- Follow-up on the Board's effectiveness evaluation;
- Briefing on Executive Committee matters;
- Progress report of China business; and
- Discussion of important matters, etc.

(Note) The above shows the system in place as of the end of fiscal 2023.

(Reference)

Evaluation of effectiveness of Board of Directors

The Company evaluates and analyzes the effectiveness of the Board of Directors every fiscal year for the purpose of enhancing the Board of Directors' effectiveness.

The Company shifted to the Company with Audit and Supervisory Committee in 2017 to strengthen the supervisory function of the Board of Directors and further enhance the soundness and transparency of management by appointing Outside Directors to comprise the majority of the Board of Directors. We have put in place a system that enables swift and resolute decision-making by separating the business execution function from the Board of Directors. Therefore, from the perspective of strengthening the supervisory and monitoring functions of the Board of Directors, we are working to ensure continuous improvement with respect to the issues identified through the analysis of the results of the evaluation of the effectiveness of the Board of Directors and are endeavoring to further improve the effectiveness of the Board of Directors.

Regarding the effectiveness of the Board of Directors in fiscal 2022, a questionnaire evaluation was conducted for all nine Directors, and the issues identified and specific measures for addressing them were discussed at the Board of Directors meeting held in May 2023. We designed the questionnaire in house this year as well, based on the initial questionnaire developed with an external organization in fiscal 2020. We are working to conduct a more objective evaluation and analysis by utilizing an external organization to collect responses and compile the result, while securing confidentiality.

1. Details of evaluation (6 categories, 25 items)

The evaluation for fiscal 2022 was conducted from the perspectives of confirming the status of efforts to address issues identified in the results of the analysis of the previous year's effectiveness evaluation, confirming the themes that require priority supervision in order for the Board of Directors to fulfill its role and identifying issues and considering measures for addressing them so as to further improve effectiveness in the future.

- (1) Priority management themes
- (2) Composition of the Board of Directors
- (3) Roles and duties of the Board of Directors
- (4) Proceedings of the Board of Directors
- (5) Enhancement of discussions at meetings of the Board of Directors and provision of information
- (6) Relationship between the Board of Directors and shareholders and other stakeholders

2. Overview of evaluation result

As a result of this year's analysis and evaluation, it was confirmed that the Board of Directors is fulfilling its role and function, with active discussions aimed at ensuring substantial supervision and monitoring of business execution.

In the effectiveness evaluation questionnaire for each Director, a certain percentage of the respondents answered "accomplishing sufficiently" or "accomplishing overall" to many of the questions.

Improvement was seen in all items to be focused on in the previous fiscal year as priority issues.

<Reviewing the Board effectiveness in FY2022>

1. As for the composition of the Board of Directors, currently the number is appropriate for active discussion and exchange of opinions. In addition, the Board of Directors is composed of diverse members with various types of experience and expertise, which is required for matters to be properly discussed at the Board of Directors meetings. Furthermore, the Board of Directors operates in an atmosphere that encourages the frank, free, and open expression of opinions. We will continue to discuss the appropriateness and diversity of the composition of the Board of Directors.

2. The Board of Directors has established “Lively Living for Everyone” as the corporate purpose and has discussed priority issues for the realization of TSUMURA VISION “Cho-WA” 2031, the long-term management vision established to realize the management philosophy and corporate mission of the Company’s basic principles. Furthermore, in addition to confirming the progress of the first medium-term management plan from fiscal 2022 to fiscal 2024, based on the theme of “laying the foundations for creating a future that achieves ‘Cho-WA’ (a well-balanced state),” decisions were made for the realization of priority issues.
3. Operations in China constitute a strategic challenge that is highly important for the Tsumura Group’s sustainable growth and the enhancement of our corporate value over the medium to long term. The activities of operations in China were frequently reported to the Board of Directors; discussions were held concerning policies, plans and strategies for the operations; and decision-making over important matters was made.

<The status of efforts to address the issues identified during fiscal 2021>

1. China business

As for operations in China, to implement M&A aimed at developing the foundation of a traditional Chinese medicines business, the process of M&A is also reported to the Board of Directors periodically in order to tighten oversight and speed up the decision-making of the Board.

2. Establishment of governance systems for Group companies

As for the establishment of governance systems for Group companies, we secured and developed human resources of Chinese Group companies and strengthened the governance system of the entire Group by establishing a governance system in which Tsumura China Inc., the company that controls all our operations in China, mainly supervises the execution status of each Group company. We also strengthened the supervision and monitoring of the Board of Directors, including establishing and implementing the system based on the “three lines of defense” (first line: operating divisions; second line: administrative divisions; third line: internal auditing divisions) approach in risk management.

Future Issues and Response Measures

Based on the results of the fiscal 2022 effectiveness evaluation, we will take the following measures to further improve the effectiveness of the Board of Directors.

1. Confirmation of progress of strategic investment deals

We will aim to maximize the effect of investments by taking the following actions concerning the confirmation of the progress of strategic investment deals.

- Decide on the overview and direction of strategic investment deals by the Board of Directors; present policies to the executive side; and oversee whether strategizing and investment are carried out in accordance with the policies.
- Consider capital investment for the establishment of systems for the stable supply of products from all aspects, such as construction costs, securing human resources, the “smartification” of factories and sustainability, and make decisions, including where to strengthen in Japan and overseas.
- Oversee the recovery plans for strategic investment deals, and instruct revisions to the plans as necessary.

2. Digital transformation

We will aim to establish an information infrastructure for digital transformation by taking the following actions that target the “Kampo value chain,” based on the “Digital transformation for Purpose” policy.

- Discuss the “ideal way of being” when digital transformation is implemented at the Board of Directors meetings; present policies on overall planning; and oversee the speed of execution, cost effectiveness, etc.
- Oversee important issues regarding the current state of implementation of digital transformation, the measures aimed at their resolution and the status of progress.

3. Sharing of information outside the Company

We will aim to enhance corporate value by taking the following actions to enhance information disclosure.

- Increase opportunities for dialogue through quarterly financial results briefings, one-on-one meetings with analysts and investors, and IR for foreign institutional investors and also make efforts to foster an environment for information dissemination with a wide range of stakeholders in mind, including general consumers.
- Conduct ample discussions in the Board of Directors on the content of information to be communicated in order to ensure the Group’s businesses and efforts to enhance corporate value are correctly conveyed and evaluated.

Furthermore, this fiscal year, we will be focusing on tackling the following five items as key management issues, including confirmation of the progress of strategic investment deals mentioned earlier.

<Five Key Themes for the Board of Directors in Fiscal 2023>

1. Checking the progress of the first medium-term management plan
2. Checking the progress of the China business (including establishment of the corporate governance system)
3. Development of management human resources who will embody the corporate purpose and philosophy
4. Checking the progress of strategic investment deals
Investment in systems including facilities, R&D, M&A, digital transformation, etc.
5. Capital policies

The Company’s Board of Directors believes in presenting policies that are based on the external environment and performing supervision of execution by the executive side that is based on strategizing that is in line with policies and receiving reports as needed. The Company will continue to implement the

PDCA cycle with the aim of realizing further improvements in the effectiveness of its Board of Directors.