

(FOR REFERENCE PURPOSE)

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

(Security code: 4552)

June 4, 2025

To the Shareholders

3-19 Kasuga-cho, Ashiya, Hyogo, 659-0021

JCR Pharmaceuticals Co., Ltd

Representative Director, Chairman and President

Shin Ashida

## Notice of Convocation of The 50th Ordinary General Meeting of Shareholders

We wish to notify you as follows that the Company will hold the 50th Ordinary General Meeting of Shareholders of JCR Pharmaceuticals Co., Ltd. (“JCR” or the “Company”) to be held at the time and place as detailed below.

When convening the Ordinary General Meeting of Shareholders, information contained in reference documents, etc., for the General Meeting of Shareholders (Matters for Electronic Provision) is provided in electronic format in each of the following websites on the Internet. Please access one of the websites and confirm.

■The Company’s website

<https://www.jcrpharm.co.jp/> (in Japanese)

(Please access the above websites, select from the menu “From JCR to Shareholders,” “To Shareholders and Investors,” “About Shares,” “General Meeting of Shareholders” and “Ordinary General Meeting of Shareholders 2025” in this order, and confirm.)

(FOR REFERENCE PURPOSE)

■Website for posting the materials for the General Meeting of Shareholders (in Japanese)

<https://d.sokai.jp/4552/teiji/>

■Tokyo Stock Exchange Website (TSE Listed Company Information Service) (in Japanese)

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

Please access the above websites, enter “JCR Pharma” in “Security name (Company name)” or the Company’s security code “4552” in the “Code” and search, and select “Basic information” and “Documents for public inspection/PR information” in this order, and confirm based on the “Notice of Convocation of General Meeting of Shareholders/Reference Materials for General Meeting of Shareholders” section in the “Documents for public inspection.”

To exercise your voting rights in advance, please review the following proposals and the “Proposals and reference information” described later and **exercise your voting rights no later than 6:00 p.m., Tuesday, June 24, 2025 (Japan Standard Time).**

■Voting by Electromagnetic Methods (the Internet, etc.)

Please review the “Instructions for Voting by Electromagnetic Methods (the Internet, etc.)” (available only in Japanese as provided in the original document or on the online voting website), and indicate your approval or disapproval of the proposals by the deadline noted above by using one of two methods: by scanning the QR code provided on the enclosed voting form (“Smart Exercise” method), or by visiting the website for exercising voting rights (<https://www.web54.net>) and manually entering your “voting code” and “password.”

■Voting in Writing

Please indicate your approval or disapproval of the proposals on the voting form enclosed with this Notice of Convocation, and return the Form to the Company so that it will arrive by the deadline noted above.

Yours faithfully,

(FOR REFERENCE PURPOSE)

Details

1. **Date and Time** 10:00 a.m., June 25, 2025 (Wednesday)
2. **Place** ANA Crowne Plaza Hotel Kobe (Room “The Ballroom” on the 10th floor)  
1 Chome, Kitano-cho, Chuo-ku, Kobe
3. **Agenda:**
  - Matters to be Reported:** Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements, and Audit Report of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 50th Fiscal Year (from April 1, 2024 to March 31, 2025)
  - Matters to be Resolved:**
    - Proposal 1 Appointment of Eleven (11) Directors
    - Proposal 2 Appointment of Two (2) Audit & Supervisory Board Members

<Requests to Shareholders>

- The abovementioned information is subject to updates due to factors such as the situation through to the day of the Ordinary General Meeting of Shareholders and details of announcements by the government or other bodies. Please confirm the latest information through the Company’s website.
- We accept questions about this Ordinary General Meeting of Shareholders at the Advance Question Acceptance Site. In addition to presenting some of the replies to the questions we received during this Ordinary General Meeting of Shareholders, we will post them on the Company website later. Questions other than those about the contents concerning Matters to Be Reported and Agenda for this Ordinary General Meeting of Shareholders may not be answered, while for overlapping questions and others, the contents of questions may be reorganized by the Company. Moreover, we will not reply individually to shareholders who have submitted questions in advance. We would appreciate your understanding in advance.

(FOR REFERENCE PURPOSE)

- ⊙ When there is a revision to the Matters for Electronic Provision, we will post a statement to that effect in the abovementioned websites on the Internet with items before and after the revision.
- ⊙ Among the Matters for Electronic Provision, the following ones are not included in documents to be provided to shareholders who have requested the provision in writing, in accordance with the provisions of laws and regulations and the Company's Articles of Incorporation:

- 1) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements; and,
- 2) "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements.

The aforementioned documents excluded from documents to be provided to shareholders who have requested the provision in writing are some of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited on the occasion of preparation of the audit report by Audit & Supervisory Board Members and the accounting audit report by the Accounting Auditor, respectively.

Note: The Company's website: <https://www.jcrpharm.co.jp/en/site/en/index.html>

Website to receive questions in advance: <https://links-v.pdcp.jp/4552/2025/jcrpharm/>

Deadline for receipt of questions: 6:00 p.m., June 13, 2025 (Friday)

- When logging in, you will need to enter your ID (9 digit shareholder number) and password (your 7 digit postal code) in half-width characters.
- Please be sure to make a note of your shareholder number before sending the voting form.

## Details of Voting Methods

Voting in Person by Attending  
Ordinary General Meeting of  
Shareholders

Exercising your voting rights in advance



You are kindly requested to bring the voting form enclosed with this Notice of Convocation with you on the day of the Shareholders' Meeting, and please submit it at the reception desk.

Date and Time

10 a.m., June 25, 2025  
(Wednesday)



Voting by Electromagnetic  
Methods (the Internet, etc.)

Please consider the reference documents for the Ordinary General Meeting of Shareholders, and enter your approval or disapproval of the proposal on the Company's designated website for exercising voting rights (<https://www.web54.net>).

Please refer to the next  
page for details

Deadline for Exercise

6 p.m., June 24, 2025  
(Tuesday)



Voting by Mail

Please consider the reference documents for the Ordinary General Meeting of Shareholders, and indicate your approval or disapproval of the proposal on the voting form enclosed with this Notice of Convocation, and return it so that it will arrive by the following deadline.

Deadline for Exercise

6 p.m., June 24, 2025  
(Tuesday)

### Notes

- If there is no indication of your approval or disapproval of the proposal on the returned voting form, it shall be treated as an indication of approval.
- In the event that a voting right is exercised twice via the online and the enclosed voting form, only the online vote shall be counted as an effective vote.
- In the event that a voting right is exercised online more than once, only the most recent vote shall be counted as an effective vote.
- Depending on the use environment of the Internet, the network service, and the device used for communication, the online voting website may not be available.
- Shareholders shall bear the connection charges of the Internet providers and the communication charges of the telecommunications carriers (telephone charges, etc.) for accessing the online voting website.

## Instructions for Voting by Electromagnetic Methods (the Internet, etc.)

Deadline for Exercise

6:00 p.m., June 24, 2025 (Tuesday)

**\*Please be reminded that the online voting website and phone inquiries services are available only in Japanese.**

### 1. Exercising Voting Rights via the Internet

Please note the following matters if you choose to exercise your voting rights via the Internet.

- (1) Online voting is available only by accessing the following online voting website designated by the Company. This website is available through the Internet via cellular phone also.

**[Online voting website URL] <https://www.web54.net>** (in Japanese)

\*You may also access the online voting website by scanning the two-dimensional code (QR Code) on the right side of voting form [shown in the Japanese original] that allows you to directly login without entering voting code and password if your cellular phone is equipped with a barcode reader. For more detailed instructions on this procedure, please refer to the user manual of your cellular phone.



(QR Code is trademarked by DENSO WAVE INCORPORATED)

- (2) When you vote online, please enter the “voting code” and the “password” provided in the enclosed voting form, and indicate your approval or disapproval of the proposals by following the instructions displayed on the screen.
- (3) Online votes will be accepted until 6:00 p.m., Tuesday, June 24, 2025 (Japan Standard Time), the day immediately prior to the date of the Ordinary General Meeting of Shareholders. However, your early voting would be highly appreciated for the convenience of vote counting.
- (4) Shareholders shall bear the connection charges of the Internet providers and the communication charges of the telecommunications carriers (telephone charges, etc.) for accessing the online voting website.
- (5) If you have any question related to online voting, please contact the following for inquiry services.

**Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited.**

**[Special Phone Line] 0120-652-031**

**(9:00 a.m. to 9:00 p.m. (Japan Standard Time), toll-free within Japan)**

### 2. Electronic Voting Platform for Institutional Investors

Institutional investors may also use the “Electronic Voting Platform” operated by ICJ, Inc. to vote in this Ordinary General Meeting of Shareholders.

## Proposals and reference information

## Proposal 1

## Appointment of Eleven (11) Directors

All of the current eleven (11) Directors will reach the maturity of the term of office at the end of this Ordinary General Meeting of Shareholders. Therefore, we would like to request the appointment of eleven (11) Directors including six (6) Outside Directors.

The eleven (11) candidates nominated by the Board are as follows.

Candidate No.	Candidate Name	(Reference)	
		Present Position of the Company	Attendance of the Board Meetings of Directors in the 50th Fiscal Year (from April 1, 2024 to March 31, 2025)
1	Reappointed Shin Ashida	Representative Director Chairman and President Chief Executive Officer (CEO) Chief Operating Officer (COO)	14/14 (100%)
2	Reappointed Toru Ashida	Director, Senior Managing Executive Officer Sales Executive Director of Sales Division	14/14 (100%)
3	Reappointed Hiroyuki Sonoda, Ph.D.	Director, Senior Managing Executive Officer Research Executive Director of Research Division	14/14 (100%)
4	Reappointed Yoshio Hiyama, Ph.D.	Director, Managing Executive Officer Quality Assurance Executive Director of Quality Assurance Division	14/14 (100%)

## (FOR REFERENCE PURPOSE)

Candidate No.	Candidate Name	(Reference)	
		Present Position of the Company	Attendance of the Board Meetings of Directors in the 50th Fiscal Year (from April 1, 2024 to March 31, 2025)
5	Reappointed Andrea Spezzi	Director, Managing Executive Officer Development	10/11 (91%)
6	Reappointed Takashi Suetsuna	Outside Director Independent Director	14/14 (100%)
7	Reappointed Toshihide Yoda	Outside Director	14/14 (100%)
8	Reappointed Yuko Hayashi, Ph.D.	Outside Director Independent Director	14/14 (100%)
9	Reappointed Yutaka Atomi, M.D., Ph.D.	Outside Director Independent Director	14/14 (100%)
10	Reappointed Philippe Fauchet OBE	Outside Director Independent Director	14/14 (100%)
11	Reappointed Marc Dunoyer	Outside Director	13/14 (93%)

(Note) Director Andrea Spezzi was appointed at the 49th Ordinary General Meeting of Shareholders held on June 26, 2024, and therefore the number of meetings of the Board of Directors is different for her from that of other Directors.



(FOR REFERENCE PURPOSE)

Candidate  
No.

1

Reappointed



**Shin Ashida** (January 2, 1943)

Number of Shares of 242,400  
the Company Owned shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

September 1975	Appointed Representative Director and President at the establishment of the Company (to present)	June 2007	Appointed President of the Company (to present) Appointed Chief Operating Officer (COO) of the Company (to present)
June 2005	Appointed Chairman of the Company (to present) Appointed Chief Executive Officer (CEO) of the Company (to present)		

**[Significant Concurrent Positions]**

Member of the Board of Directors of Future Brain Co., Ltd.  
Representative Director and President of JCR INTERNATIONAL SA

**Reason for Nomination as a Candidate for Director**

The Company has nominated him as a candidate for a Member of the Board of Directors of the Company because of his ability and actual achievements as founder and business manager of the Company and for sustained enhancement of the corporate value in the future, and the Company requests continued appointment of him as Director.

Candidate  
No.

2

Reappointed



**Toru Ashida** (October 31, 1968)

Number of Shares of 360,308  
the Company Owned shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

April 1992	Joined Nippon Life Insurance Company	June 2019	In charge of Corporate Strategy
April 2002	Appointed Representative Director and President at the establishment of JBS Co., Ltd.		Head of Quality Assurance Division, Corporate Planning Division, Administration Division, and Medical Affairs Department of the Company
January 2014	Joined the Company	April 2020	Executive Director of Sales Division of the Company (to present)
July 2014	Appointed Corporate Officer of the Company Executive Director of Corporate Business Support Division and Director of Corporate Strategy Department of the Company	June 2020	Appointed Vice President of the Company and in charge of Sales Division
April 2016	Head of Office of the President of the Company	June 2021	Appointed Senior Vice President of the Company and in charge of Sales and Administration
June 2018	Appointed Senior Executive Director of the Company Head of Quality Assurance Division, Corporate Planning Division, and Medical Affairs Department of the Company	April 2023	In charge of Sales (to present)
		June 2024	Appointed Director and Senior Managing Executive Officer of the Company (to present)

**[Significant Concurrent Positions]**

Representative Director and President of Future Brain Co., Ltd.

**Reason for Nomination as a Candidate for Director**

The Company has nominated him as a candidate for a Member of the Board of Directors of the Company because he has abundant experience in managing the organization at a major financial institution and operating an organization which supports facilities for clinical trial and is an appropriate person for enhancement of the corporate value of the Company, and the Company requests continued appointment of him as Director.

(FOR REFERENCE PURPOSE)

Candidate  
No.

3

Reappointed



Hiroyuki Sonoda, Ph.D. (June 15, 1978)

Number of Shares of  
the Company Owned 68,320  
shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

April 2003	Joined the Company	June 2020	Appointed Senior Executive Director of the Company
April 2016	Director of Corporate Planning Division (In charge of Research) of the Company		and in charge of Research and Development Division
October 2017	Leader of Frontier Research Unit and Director of Corporate Planning Division (In charge of Research) of the Company		Executive Director of Research Division, and Director of Drug Discovery Research Institute
April 2018	Executive Director of Research Planning Division of the Company	June 2021	Appointed Vice President of the Company and in charge of Research and Corporate Strategy
June 2018	Appointed Corporate Officer of the Company		Executive Director of Research Division (to present)
		October 2022	Representative Director and President of AlliedCel Corporation (to present)
		April 2023	In charge of Research (to present)
		June 2024	Appointed Director and Senior Managing Executive Officer of the Company (to present)

**[Significant Concurrent Positions]**

Representative Director and President of AlliedCel Corporation

**Reason for Nomination as a Candidate for Director**

The Company has nominated him to continue as a Member of the Board of Directors of the Company because he has demonstrated high-level capabilities in the research field and produced results in leading his division since he joined the Company, and he can be expected to contribute significantly to increasing corporate value in new areas of research that will support the future growth of JCR and to demonstrate high-level capabilities in the field of management strategy with wide-ranging ideas based on his abundant knowledge.

(FOR REFERENCE PURPOSE)

Candidate  
No.

4

Yoshio Hiyama, Ph.D. (August 29, 1960)

Number of Shares of  
the Company Owned 42,530  
shares

Reappointed



Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions

April 1986	Joined Daiichi Pharmaceuticals Co., Ltd. (currently Daiichi Sankyo Co., Ltd.)	April 2020	Marketing Supervisor, General Director of Pharmacovigilance Dept., and PMS Office Manager
October 1999	PMD VAC Co., Ltd. (secondment)		
April 2005	Manager of Regulatory Affairs Group of PMD VAC Co., Ltd.	September 2020	Director of Corporate Planning Division (In charge of Vaccine Business) and Pharmacovigilance Dept.
October 2011	Daiichi Sankyo Co., Ltd. (returned), Group Manager of R&D Group of Vaccine Planning Dept.	June 2021	Appointed Senior Executive Director of the Company
July 2012	Japan Vaccines Co. Ltd. (secondment), Marketing Supervisor of General and Quality and Safety Management Director		In charge of Production and Quality Assurance/Executive Director of Production Division
April 2019	Joined the Company Assistant Director of Production Division	March 2024	Director of JCR Luxembourg S.A. (to present)
		April 2024	In charge of Quality Assurance Executive Director of Quality Assurance Division and Director of Regulatory Affairs Department
		June 2024	Appointed Director and Managing Executive Officer of the Company (to present)
		June 2024	In charge of Quality Assurance Executive Director of Quality Assurance Division (to present)

[Significant Concurrent Positions]

Director of JCR Luxembourg S.A.

Reason for Nomination as a Candidate for Director

The Company has nominated him to continue as a Member of the Board of Directors of the Company because he has a wealth of knowledge and wide-ranging operation experience concerning the manufacture, quality control, supply chain, and compliance of a wide range of pharmaceuticals, and it deems him an appropriate person who can be expected to greatly contribute to enhancing the corporate value of the Company.

(FOR REFERENCE PURPOSE)

Candidate  
No.

5

Andrea Spezzi

(October 31, 1965)

Number of Shares of  
the Company Owned

30,000  
shares

Reappointed



**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

June 1994	Consultant Paediatrician/Staff Grade Paediatrician of Princess Alexandra Hospital, Saint Jamue Hospital, Pedro de Elizalde Children's Hospital	September 2015	Founded Andrea Spezzi Executive Consultant (to present)
March 2003	Research Physician, Hammersmith Medicines Research	January 2016	Co-founder and Chief Medical Officer of Orchard Therapeutics
November 2004	Global Medical Director, Takeda Global R&D	June 2021	Independent Board Director of Bloomsbury Genetic Therapies (to present)
July 2009	Vice President R&D, Medicines Development Leader Rare Diseases, Rare Diseases Business Unit of GlaxoSmithKline	September 2021	Co-Founder, President and CEO/Board Executive Director of Rejuvitas Inc.
		September 2023	Advisor and acting Partner of Discovery Ventures Healthcare Fund (to present)
		December 2023	Global Strategic Adviser of the Company
		June 2024	Appointed Director and Managing Executive Officer of the Company (to present) In charge of Development (to present)

**[Significant Concurrent Positions]**

Andrea Spezzi Executive Consultant  
Independent Board Director of Bloomsbury Genetic Therapies  
Advisor and acting Partner of Discovery Ventures Healthcare Fund

**Reason for Nomination as a Candidate for Director**

The Company has nominated her to continue as a Member of the Board of Directors of the Company because she has abundant experience and knowledge as a pediatrician with clinical experience and as the head of a pharmaceutical company related to rare diseases, and it deems her an appropriate person who can be expected to greatly contribute to enhancing the corporate value of the Company.

(FOR REFERENCE PURPOSE)

Candidate  
No.

6

Reappointed

Outside  
Director

Independent  
Director



Takashi Suetsuna (March 8, 1949)

Number of Shares of  
the Company Owned 2,000  
shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

April 1974	Joined the National Police Agency	June 2013	Outside Audit & Supervisory Board Member of Marubeni Corporation
February 1994	Chief of Kochi Prefectural Police Headquarters	June 2015	Outside Director of Totetsu Kogyo Co., Ltd. (to present)
September 1997	Director of Finance Division of Commissioner-General's Secretariat of National Police Agency	June 2016	Outside Audit & Supervisory Board Member of Keikyu Corporation (to present)
September 2001	Chief Inspector General of Commissioner-General's Secretariat of National Police Agency		Outside Audit & Supervisory Board Member of Kandenko Co., Ltd. (to present)
August 2002	Chief of Kanagawa Prefectural Police Headquarters		Appointed Outside Audit & Supervisory Board Member of the Company
August 2004	Deputy Superintendent General of National Police Agency	June 2017	Appointed Member of the Board of Directors (Outside Director) of the Company (to present)
September 2005	Grand Chamberlain to the Crown Prince at the Imperial Household Agency	June 2018	Outside Audit & Supervisory Board Member of Aioi Nissay Dowa Insurance Co., Ltd.
April 2009	Ambassador Extraordinary and Plenipotentiary to Grand Duchy of Luxembourg		
June 2012	Retired from the above office		

**[Significant Concurrent Positions]**

Outside Director of Totetsu Kogyo Co., Ltd.  
Outside Audit & Supervisory Board Member of Keikyu Corporation  
Outside Audit & Supervisory Board Member of Kandenko Co., Ltd.

**Reason for Nomination as a Candidate for Outside Director and Overview of expected role**

Although he has not been involved in corporate management except as an Outside Director of the Company, the Company has nominated him to continue as a Member of the Board of Directors of the Company because he has a wealth of experience in government institutions and a global perspective as a diplomat, and he can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.

(FOR REFERENCE PURPOSE)

Candidate  
No.

7

Reappointed

Outside  
Director



Toshihide Yoda

(January 8, 1963)

Number of Shares of  
the Company Owned —  
share

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

April 1985	Joined Nippon Kangyo Kakumaru Securities	April 2012	Managing Director of Medipal Holdings Corporation In charge of IR and General Manager of Business Development Department CMA®
May 1989	Joined UBS Securities Japan Co., Ltd.		
July 1996	Joined ING Bearing Securities	May 2016	Director of SPLine Corporation Director of Medie Co., Ltd.
December 2000	Joined Lehman Brothers Japan Inc.		
October 2008	Joined Barclays Capital Securities Japan Limited (currently, Barclays Securities Japan Limited) Managing Director of Barclays Capital Securities Japan Limited (currently, Barclays Securities Japan Limited)	June 2016	Director of Mediceo Corporation
		February 2018	Director of JCR USA, Inc. (to present)
		June 2018	Senior Vice President of Medipal Holdings Corporation (to present) Appointed Member of the Board of Directors (Outside Director) of the Company (to present)
June 2010	Director of Medipal Holdings Corporation		General Manager of Business Development Department of Medipal Holdings Corporation (to present)
		June 2022	

**[Significant Concurrent Positions]**

Senior Vice President of Medipal Holdings Corporation  
Director of JCR USA, Inc.

**Reason for Nomination as a Candidate for Outside Director and Overview of expected role**

The Company has nominated him to continue as a Member of the Board of Directors of the Company because he has wide-ranging knowledge as pharmaceutical sector analyst in the finance industry and experience of leading numerous new businesses, and he can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.

(FOR REFERENCE PURPOSE)

Candidate  
No.

8

Reappointed  
Outside  
Director

Independent  
Director



Yuko Hayashi, Ph.D. (February 18, 1965)

Number of Shares of  
the Company Owned 2,000  
shares

Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions

April 1988	Joined IBM Japan, Ltd.	April 2012	Associate Professor of Graduate School of Innovation and Technology Management of Yamaguchi University
October 2003	Visiting Researcher of Research Center for Advanced Science and Technology of The University of Tokyo	June 2015	Professor of Graduate School of Innovation and Technology Management of Yamaguchi University (to present)
April 2007	Lecturer of Graduate School of Innovation and Technology Management of Yamaguchi University Visiting Researcher of National Graduate Institute for Policy Studies	January 2017	Executive Board Member of Special Olympics Nippon Foundation
March 2011	Executive Director of 3.11 Earthquake Orphans Cultural and Sports Support Facilitation Corporation of Public Interest Incorporated Association (to present)	April 2018	Visiting Co-Researcher of Graduate School of Frontier Sciences of The University of Tokyo
		June 2018	Appointed Member of the Board of Directors (Outside Director) of the Company (to present)

[Significant Concurrent Positions]

Professor of Graduate School of Innovation and Technology Management of Yamaguchi University  
Executive Director of 3.11 Earthquake Orphans Cultural and Sports Support Facilitation Corporation of Public Interest Incorporated Association  
Director of Kawamura Scholarship Foundation  
Director of Urakami Foundation for Food and Food Culture Promotion  
Director of Institute for Drug Discovery Innovation

Reason for Nomination as a Candidate for Outside Director and Overview of expected role

Although she has not been involved in corporate management except as an Outside Director of the Company, the Company has nominated her to continue as a Member of the Board of Directors of the Company because she has expert knowledge related to commercialization of innovation and abundant insight in diverse areas such as research activities related to cutting-edge medicine and diversity, and she can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.

(FOR REFERENCE PURPOSE)

Candidate  
No.

9

Reappointed

Outside  
Director

Independent  
Director



Yutaka Atomi, M.D.,  
Ph.D.

(December 5, 1944)

Number of Shares of  
the Company Owned

2,000  
shares

Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions

April 1970	Attending Surgeon of First Department of Surgery of Faculty of Medicine of The University of Tokyo	June 2017	Outside Director of Sumitomo Dainippon Pharma Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)
April 1982	Chief of Medical Staff of First Department of Surgery of Faculty of Medicine of The University of Tokyo	April 2018	President Emeritus of Kyorin University (to present)
June 1988	Visiting Researcher of Department of Surgery of University of California, San Francisco	June 2018	President of Pancreas Research Foundation of Japan
July 1992	Assistant Professor of First Department of Surgery of Faculty of Medicine of The University of Tokyo	April 2019	President of International Medical Research Foundation (to present)
October 1992	Professor of First Department of Surgery of Faculty of Medicine of Kyorin University	June 2019	Outside Audit & Supervisory Board Member of Sanki Engineering Co., Ltd. (to present)
April 2004	Dean of Faculty of Medicine of Kyorin University	June 2022	Appointed Member of the Board of Directors (Outside Director) of the Company (to present)
April 2010	President of Kyorin University	June 2023	President of Atomi Gakuen (to present)
June 2013	Outside Audit & Supervisory Board Member of Sumitomo Dainippon Pharma Co., Ltd. (currently Sumitomo Pharma Co., Ltd.)	June 2023	Director of The Japan China Medical Association (to present)
		August 2023	Outside Director of Pasona Inc. (to present)

[Significant Concurrent Positions]

President Emeritus of Kyorin University  
Outside Audit & Supervisory Board Member of Sanki Engineering Co., Ltd.  
Outside Director of Pasona Inc.  
President of Atomi Gakuen  
President of International Medical Research Foundation  
President of The Japan China Medical Association

Reason for Nomination as a Candidate for Outside Director and Overview of expected role

Although he has not been involved in corporate management except as an Outside Director of the Company, the Company has nominated him to continue as a Member of the Board of Directors of the Company because he has expert knowledge related to commercialization of innovation and abundant insight in diverse areas such as research activities related to cutting-edge medicine and diversity, and he can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.



(FOR REFERENCE PURPOSE)

Candidate  
No.

10

Reappointed

Outside  
Director

Independent  
Director



Philippe Fauchet OBE (November 2, 1957)

Number of Shares of  
the Company Owned 2,000  
shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

October 1984	Joined Roussel UCLAF S.A., France (currently, Aventis S.A.)	April 2017	Chairman of GlaxoSmithKline plc.
September 1996	Joined Sanofi S.A., France	November 2017	Resigned as Outside Director of the Company
June 2001	Appointed President and Representative Director of Sanofi-Synthelabo K.K. (currently, Sanofi K.K.)	February 2019	Stepped down as Chairman of GlaxoSmithKline K.K.
May 2005	Appointed President and Representative Director of Sanofi-Aventis K.K. (currently, Sanofi K.K.)	May 2019	External Director of Bonac Corporation
January 2010	Appointed President and Representative Director of GlaxoSmithKline K.K.	March 2020	External Director of Noile-Immune Biotech Inc. (to present)
June 2013	Appointed Outside Director of the Company	September 2020	External Director of Rezolute, Inc. (RZLT) (to present)
		June 2022	Outside Director of LUCA Science Inc. (to present)
		June 2022	Appointed Member of the Board of Directors (Outside Director) of the Company (to present)

**[Significant Concurrent Positions]**

External Director of Noile-Immune Biotech Inc.  
External Director of Rezolute, Inc. (RZLT)  
Outside Director of LUCA Science Inc.  
Director of Medical Excellence JAPAN

**Reason for Nomination as a Candidate for Outside Director and Overview of expected role**

The Company has nominated him as a Member of the Board of Directors of the Company because he has abundant experience and knowledge as the head of a global pharmaceutical company, and he can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.

(FOR REFERENCE PURPOSE)

Candidate  
No.

11

Reappointed

Outside  
Director



Marc Dunoyer

(October 12, 1952)

Number of Shares of  
the Company Owned 2,000  
shares

**Summary of the Profile, Position, Responsibilities and Significant Concurrent Positions**

October 1999	Representative Director Vice President of GlaxoWellcome KK	June 2010	Outside Director of the Company
		April 2013	Resigned as Outside Director of the Company
March 2000	Representative Director President of GlaxoWellcome KK	June 2013	Executive Vice President of Global Portfolio & Product Strategy of AstraZeneca PLC
January 2001	Representative Director President of GlaxoSmithKline KK	November 2013	Member of the Board of Directors and Executive Director and Chief Financial Officer of AstraZeneca PLC
March 2003	Corporate Executive Team Member of GlaxoSmithKline PLC		Chairman of AstraZeneca KK (to present)
May 2008	Regional President of Asia Pacific & Japan of GlaxoSmithKline PLC	June 2018	Member of the Board of Directors of Orchard Therapeutics PLC
January 2010	Representative Director Chairman of GlaxoSmithKline KK	August 2021	Chief Executive Officer of Alexion, AstraZeneca's Rare Disease Group (to present)
February 2010	Foundational Global Head of Rare Diseases Unit of GlaxoSmithKline PLC		Chief Strategy Officer of AstraZeneca Group (to present)
		June 2023	Appointed Member of the Board of Directors (Outside Director) of the Company (to present)
		December 2023	Director of Collectis SA (to present)

**[Significant Concurrent Positions]**

Chief Strategy Officer of AstraZeneca Group  
Chief Executive Officer of Alexion, AstraZeneca's Rare Disease Group  
Chairman of AstraZeneca KK  
Director of Collectis SA

**Reason for Nomination as a Candidate for Outside Director and Overview of expected role**

The Company has nominated him as a Member of the Board of Directors of the Company because he has abundant experience and knowledge as the head of a global pharmaceutical company, where he actively participated on the front lines over many years, and he can be expected to contribute significantly to improving the Company's corporate value by providing supervision from an expert perspective of the Board of Directors' execution of business and advice to management and so forth.

(FOR REFERENCE PURPOSE)

- (Notes)
1. The number of shares of the Company owned by each candidate includes the equity interests in the JCR Officer Shareholding Association.
  2. Mr. Marc Dunoyer is Chief Executive Officer of Alexion, AstraZeneca Rare Disease, a specified related business operator of the Company. His positions and responsibilities as an executive officer currently and over the past ten years are as described in the profile.
  3. Mr. Toshihide Yoda is a Senior Vice President of Medipal Holdings Corporation, of which Mr. Toshihide Yoda serves as Senior Vice President, is a major shareholder of the Company.
  4. There are no particular vested interests between other candidates and the Company.
  5. Mr. Takashi Suetsuna will have served as an Outside Director for eight (8) years, Mr. Toshihide Yoda and Dr. Yuko Hayashi will have served as an Outside Director for seven (7) years, Mr. Yutaka Atomi and Mr. Philippe Fauchet will have served as an Outside Director for three (3) years, and Mr. Marc Dunoyer will have served as an Outside Director for two (2) years at the conclusion of this General Shareholders Meeting.
  6. When this proposal is approved as originally proposed, Mr. Takashi Suetsuna, Dr. Yuko Hayashi, Mr. Yutaka Atomi and Mr. Philippe Fauchet will be registered at the Tokyo Stock Exchange as Independent Director without particular vested interests with the shareholders in general, as defined by the Tokyo Stock Exchange.
  7. In accordance with Article 28, Paragraph 2 of the Company's Articles of Incorporation, the Company has concluded a contract with Mr. Takashi Suetsuna, Mr. Toshihide Yoda, Dr. Yuko Hayashi, Mr. Yutaka Atomi, Mr. Philippe Fauchet and Mr. Marc Dunoyer with respect to limiting their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act to the Minimum Liability Amount stipulated in Paragraph 1 of Article 425 of the Companies Act so far as they are performing their duties in good faith and without gross negligence. If the proposal is approved as originally proposed and six (6) directors are re-elected, the above contract will be continued.
  8. The Company has concluded an officer liability insurance contract with the insurance company, and each candidate for director shall be the insured under such insurance contract. Please refer to "4 Officers, 3 Summary of the details of directors and officers liability insurance contract" in the Report on business results. In addition, in the event each candidate assumes the post of director, the applicable insurance contract shall be renewed during the term of office.

Criteria for independence of Outside Directors

In nomination of candidates for Outside Director of Member of the Board of Directors of the Company, the Company places great emphasis on abundant experience and high insight in corporate management etc. in addition to the requirements under the Companies Act. Independent Director has been designated as a person who fulfills the guidelines of an independent Director who is not likely to conflict of interest with the general shareholders as defined by the Tokyo Stock Exchange.

## Proposal 2

## Appointment of Two (2) Audit &amp; Supervisory Board Members

Two (2) Audit & Supervisory Board Members Mr. Takeshi Komura and Mr. Shuichi Tani will reach the maturity of the term of office at the end of this Ordinary General Meeting of Shareholders. In addition, two (2) Audit & Supervisory Board Members Mr. Kazuhiko Yamada and Mr. Kenjiro Miyatake will resign from the office at the end of this Ordinary General Meeting of Shareholders. Therefore, we would like to request the appointment of two (2) Audit & Supervisory Board Members.

If this proposal is approved, there will be three (3) Audit & Supervisory Board Members of the Company with a reduction of two (2), but the Company has determined that in light of the current status of the Company's audit system, including collaboration with the internal audit division, that the effectiveness of the audit system will remain sufficiently secure.

The Audit & Supervisory Board has assented to this proposal.

The two (2) candidates nominated by the Board are as follows.

Candidate No.	Candidate Name	Present Position of the Company	(Reference)	
			Attendance of the Board Meetings of Directors in the 50th Fiscal Year (from April 1, 2024 to March 31, 2025)	Attendance of the Board Meetings of Auditors in the 50th Fiscal Year (from April 1, 2024 to March 31, 2025)
1	Newly-appointed Masayuki Mitsuka	Outside Director Independent Director	—	—
2	Newly-appointed Miya Miyama	Outside Director Independent Director	—	—

(FOR REFERENCE PURPOSE)

Candidate  
No.

1

Masayuki Mitsuka (October 30, 1954)

Number of Shares of  
the Company Owned —  
shares

Newly-  
appointed

Outside Audit  
& Supervisory  
Board Member

Independent  
Director



Summary of the Profile, Position and Significant Concurrent Positions

April 1982	Joined Mitsubishi Chemical Industries (currently Mitsubishi Chemical Corporation)	June 2020	Advisor of Mitsubishi Tanabe Pharma Corporation
June 2009	Board Director, Executive Officer, and General Manager of Global Product Strategy Department of Mitsubishi Tanabe Pharma Corporation	July 2022	Advisor of Medipal Holdings Corporation (to present) (*)
		June 2023	External Director of SAWAI GROUP HOLDINGS Co., Ltd. (to present)
April 2012	Board Director, Managing Executive Officer, and Division Manager of Development Division of Mitsubishi Tanabe Pharma Corporation		
April 2014	Representative Director and Senior Managing Executive Officer of Mitsubishi Tanabe Pharma Corporation		
June 2014	President & Representative Director and Chief Executive Officer of Mitsubishi Tanabe Pharma Corporation		
April 2020	Board Director of Mitsubishi Tanabe Pharma Corporation		

[Significant Concurrent Positions]

Outside Audit & Supervisory Board Member of Medipal Holdings Corporation (planned)  
External Director of SAWAI GROUP HOLDINGS Co., Ltd.

Reason for Nomination as a Candidate for Outside Audit & Supervisory Board Member of the Company

The Company has nominated him as a new Outside Audit & Supervisory Board Member of the Company because it deems him an appropriate person who can be expected to conduct fair audit as an Audit & Supervisory Board Member, with high insight on the establishment and enhancement of corporate governance, utilizing his experience as a business manager in the pharmaceutical industry.

(FOR REFERENCE PURPOSE)

Candidate  
No.

2

Miya Miyama (June 13, 1972)

Number of Shares of  
the Company Owned — shares

Newly-  
appointed

Outside Audit  
& Supervisory  
Board Member

Independent  
Director



Summary of the Profile, Position and Significant Concurrent Positions

October 2002	Appointed Public Prosecutor (Public Prosecutor, Tokyo District Public Prosecutors Office)	April 2018	Permanent Member of Dai-Ichi Tokyo Bar Association
July 2013	Head of Compliance Department of The Innovation Network Corporation of Japan	April 2020	Vice Chair of Gender Equality Committee of Kanto Federation of Bar Associations
July 2016	Retired from position as Public Prosecutor	June 2021	Outside Director of Totetsu Kogyo Co., Ltd. (to present)
July 2016	Registered as an attorney at law of Japan Federation of Bar Associations (member of Dai-Ichi Tokyo Bar Association) Attorney of CITY-YUWA PARTNERS (to present)		

[Significant Concurrent Positions]

Attorney of CITY-YUWA PARTNERS  
Outside Director of Totetsu Kogyo Co., Ltd.  
Outside Corporate Auditor of GS Yuasa Corporation (planned)

Reason for Nomination as a Candidate for Outside Audit & Supervisory Board Member of the Company

Although she has not been involved in corporate management except as an Outside Audit & Supervisory Board Member of the Company, the Company has nominated her as a new Outside Audit & Supervisory Board Member of the Company because it deems her an appropriate person who can be expected to conduct fair audit as an Audit & Supervisory Board Member, with her extensive experience and high insight in the legal profession.

(FOR REFERENCE PURPOSE)

- (Notes)
1. There are no particular vested interests between any of the candidates and the Company.
  2. Mr. Masayuki Mitsuka and Ms. Miya Miyama are new candidates for Audit & Supervisory Board Member.
  3. Mr. Masayuki Mitsuka and Ms. Miya Miyama are candidates for Outside Audit & Supervisory Board Member.
  4. Mr. Masayuki Mitsuka and Ms. Miya Miyama satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to submit notification concerning their designation as independent officers to the said exchange when this proposal is approved as originally proposed.
  5. In accordance with Article 36, Paragraph 2 of the Company's Articles of Incorporation, the Company has concluded a contract with Outside Audit & Supervisory Board Members with respect to limiting their liabilities for damages under Paragraph 1 of Article 423 of the Companies Act to the Minimum Liability Amount stipulated in Paragraph 1 of Article 425 of the Companies Act so far as they are performing their duties in good faith and without gross negligence. If the proposal is approved as originally proposed and Mr. Masayuki Mitsuka and Ms. Miya Miyama are elected, the above contract will be concluded.
  6. The Company has concluded an officer liability insurance contract with the insurance company, and each candidate for Audit & Supervisory Board Member shall be the insured under such insurance contract. Please refer to "4 Officers, 3 Summary of the details of directors and officers liability insurance contract" in the Report on business results. In addition, in the event each candidate assumes the post of Audit & Supervisory Board Member, the applicable insurance contract shall be renewed during the term of office.
  7. Mr. Masayuki Mitsuka is scheduled to be appointed as an Outside Audit & Supervisory Board Member and to step down as an Advisor to Medipal Holdings Corporation at that company's Ordinary General Meeting of Shareholders to be held on June 25, 2025. The company is a major shareholder of the Company.
  8. Ms. Miya Miyama is scheduled to be appointed as an Outside Corporate Auditor of GS Yuasa Corporation at that company's Annual General Meeting of Shareholders to be held on June 27, 2025.

Criteria for independence of Outside Audit & Supervisory Board Members

In nomination of candidates for Outside Audit & Supervisory Board Member of the Board of Directors and the Audit & Supervisory Board of the Company, the Company places great emphasis on abundant experience and high insight in corporate management, etc., in addition to the requirements under the Companies Act. Independent Audit & Supervisory Board Member has been designated as a person who fulfills the guidelines of an independent Director who is not likely to conflict of interest with the general shareholders as defined by the Tokyo Stock Exchange.

## (FOR REFERENCE PURPOSE)

(Reference)

Skill Matrix of each Director and Audit &amp; Supervisory Board Member after the Conclusion of the General Meeting of Shareholders

	Name	Position	Skills												
			General Management	Industry Knowledge	Global Experience	R&D	Production	Sales	ICT	Administrative Experience	Law	Tax & Financial Accounting	Sustainability	Risk Management	Other
Board of Directors	Shin Ashida	Representative Director, Chairman and President	○												
	Toru Ashida	Director, Senior Managing Executive Officer	○					○				○	○		
	Hiroyuki Sonoda, Ph.D.	Director, Senior Managing Executive Officer		○		○								○	
	Yoshio Hiyama, Ph.D.	Director, Managing Executive Director			○		○				○				
	Andrea Spezzi	Director, Managing Executive Director	○	○	○	○									
	Takashi Suetsuna	Director (Independent/ Outside)			○					○	○			○	
	Toshihide Yoda	Director (Outside)	○	○		○									
	Yuko Hayashi, Ph.D.	Director (Independent/ Outside)	○						○				○		○ Diversity & Inclusion
	Yutaka Atomi, M.D., Ph.D.	Director (Independent/ Outside)		○		○								○	
	Philippe Fauchet OBE	Director (Independent/ Outside)	○	○	○										○ Business Development Medical Affairs PR Government Affairs
	Marc Dunoyer	Director (Outside)	○	○	○	○									

(Note) Up to four of the main areas (including Other) of the expertise and experience possessed by each Director are indicated in the above table.



(FOR REFERENCE PURPOSE)

	Name	Position	Skills												
			General Manage- ment	Industry Know- ledge	Global Experi- ence	R&D	Produc- tion	Sales	ICT	Admin- istrative Experi- ence	Law	Tax & Financial Account- ing	Sustain- ability	Risk Manage- ment	Other
Audit & Supervisory Board	Kazumasa Oizumi	Audit & Supervisory Board Member (Independent/ Outside)	○					○							○ Audit Practice
	Masayuki Mitsuka	Audit & Supervisory Board Member (Independent/ Outside)	○	○		○									
	Miya Miyama	Audit & Supervisory Board Member (Independent/ Outside)								○	○		○	○	

(Note) Up to four of the main areas (including Other) of the expertise and experience possessed by each Audit & Supervisory Board Member are indicated in the above table.





[Attachment] Report on business results (From April 1, 2024 to March 31, 2025)

## 1 Current Situation of the Corporate Group

### 1. Progress of business and its results

#### (1) Summary of consolidated operating results for the fiscal year under review

The overview of this consolidated fiscal year is as follows.

Net Sales	Operating Loss	Ordinary Loss	Loss Attributable to Owners of Parent
33,072 million yen	(6,650) million yen	(7,477) million yen	(4,759) million yen
 Against Previous Fiscal Year	 Against Previous Fiscal Year	 Against Previous Fiscal Year	 Against Previous Fiscal Year
22.9% decrease	—	—	—

(Note) All amounts are rounded down to the nearest million yen.

#### 1. Net Sales

Net sales amounted to 33,072 million yen (down 22.9% year on year). The main factor reducing revenues against the previous year was the failure to conclude a planned license agreement during the fiscal year under review even though product sales were almost the same as the previous year.

#### 2. Operating Income or Loss and Ordinary Income or Loss







Operating loss of 6,650 million yen (compared with operating income of 7,531 million yen in the previous fiscal year), ordinary loss of 7,477 million yen (compared with ordinary income of 7,264 million yen in the previous fiscal year), and loss attributable to owners of parent of 4,759 million yen (compared with profit attributable to owners of parent of 5,507 million yen in the previous fiscal year), each of the amounts were down from the previous fiscal year.

It was mainly because gross profit decreased 30.4% as a result of lower net sales. R&D expenses increased 37.4% to 15,431 million yen.

(FOR REFERENCE PURPOSE)

### 3. Main components of sales

The main components of sales are as follows.

	Net sales for FY2024		Year-on-year change
Recombinant human growth hormone product GROWJECT®	18,098 million yen	 1.0%	184 million yen increase
Mucopolysaccharidoses Type II treatment IZCARGO®	5,718 million yen	 10.6%	547 million yen increase
Regenerative medical products TEMCELL® HS Inj.	2,904 million yen	 (10.2)%	331 million yen decrease
Renal anemia treatments Epoetin Alfa BS Inj. [JCR] Darbepoetin Alfa BS Inj. [JCR]	3,784 million yen 1,690 million yen 2,093 million yen	 (18.7)%	868 million yen decrease 303 million yen decrease 564 million yen decrease
Fabry disease treatment Agalsidase Beta BS I.V. Infusion [JCR]	1,149 million yen	 (30.8)%	512 million yen decrease
Revenue from licensing	517 million yen	 (93.0)%	6,896 million yen decrease

(Note) All amounts are rounded down to the nearest million yen.

- In the previous consolidated fiscal year, revenue from licensing originated mainly from the conclusion of license agreements for commercialization and contracts for joint promotion, while in this consolidated fiscal year, revenue from licensing originates from the achievement of milestones, etc.

## (2) The status of R&D

### [Treatments for lysosomal storage diseases]

- In treatments for lysosomal storage diseases for which there are more than 17 types of treatment, we are currently prioritizing research and development on new drugs that employ our unique blood-brain barrier (BBB) technology, J-Brain Cargo®.
- Regarding our BBB-penetrating therapeutic enzyme for the treatment of Hunter Syndrome, pabinafusp alfa (development code: JR-141), the global Phase III clinical trial is currently underway. In addition, for Cohort B, which comprises patients with so-called mild symptoms, we have met our target of completing the enrolment of 20 cases, and for Cohort A, which comprises patients with more severe cases, we have completed the enrolment of more than 95% of cases.
- Regarding our BBB-penetrating therapeutic enzyme for the treatment of mucopolysaccharidose type I (development code: JR-171), thirteen-week Phase I/II clinical trials have now been completed in Japan, Brazil, and the U.S., with continuation studies ongoing. In addition, we plan to develop this therapeutic enzyme through licensing out rather than in-house, and are currently engaged in out-licensing negotiations with potential partners.
- Regarding our BBB-penetrating therapeutic enzyme for the treatment of mucopolysaccharidose type III A (development code: JR-441), Phase I/II clinical trials are currently underway in Germany. In addition, the enrolment of 12 cases planned for the first half of 2024 has been completed. Furthermore, administration of the investigational drug commenced in Phase I clinical trials in Japan in October 2024. The drug received orphan drug designation from the European Commission (EC) in January 2022, the U.S. Food and Drug Administration (FDA) in December 2023, and the Ministry of Health, Labour and Welfare of Japan in December 2024.
- Regarding our BBB-penetrating therapeutic enzyme for the treatment of mucopolysaccharidose type III B (development code: JR-446), in September 2023, we entered into a license agreement with Medipal Holdings Corporation for overseas commercialization and a co-development and commercialization agreement in Japan. Administration of the investigational drug began in Phase I/II clinical trials in Japan in December 2024. In April 2025, the drug received orphan drug designation from the FDA.
- Regarding a treatment for fucosidosis (development code: JR-471), one of other treatments for lysosomal storage diseases that employ J-Brain Cargo®, based on the license agreement concluded in October 2022, an exclusive license with a relicense right for commercialization such as research, development, manufacture and sale all over the world except Japan was granted to Medipal Holdings Corporation. Necessary research and other activities are currently underway ahead of the start of clinical trials.

### [Creation of platform technology]

- In addition to the research to expand the applicability of “J-Brain Cargo®,” JCR’s own BBB-penetrating technology, to various modalities, we are focusing on the creation of a new platform technology following J-Brain Cargo® technology. One of the outcomes of this research is the creation of a new gene therapy technology called JUST-AAV, which uses adeno-associated virus vectors. This technology not only enables efficient delivery of vectors to the brain, but is also expected to reduce side effects by minimizing

(FOR REFERENCE PURPOSE)

vector accumulation in the liver. We are currently developing it as a new platform technology. We began joint research with Modalis Therapeutics Corporation in December 2023 to develop new gene therapies using this technology, and concluded a new joint research agreement in January 2025, after successfully verifying the initial technical concepts of this joint research project.

[Human growth hormone product]

- We are currently conducting a continuation trial of the Phase II clinical trial of the recombinant long-acting human growth hormone redalsomatropin alfa (rDNA origin) (development code: JR-142). In addition, administration of the investigational drug commenced in December 2024 as part of a Phase III clinical trial in Japan.

## [Reference] Research and Development Status of New Products

Code Nonproprietary name (Product name)	Indication	Status	Mechanism	Remarks
JR-141 pabinafusp alfa (IZCARGO® 10mg)	LSD MPS type II (Hunter)	Global: Phase III	BBB-penetrating iduronate-2- sulfatase (rDNA origin)	• ERT • J-Brain Cargo®
JR-142	Pediatric growth hormone deficiency	Japan: Phase III	Long-acting human growth hormone (rDNA origin)	• J-MIG System®
JR-171 lepunafusp alfa	LSD MPS type I (Hurler etc.)	Global: Phase I/II	BBB-penetrating $\alpha$ - L-iduronidase (rDNA origin)	• ERT • J-Brain Cargo® • J-MIG System®
JR-441	LSD MPS type III A (Sanfilippo A)	Germany: Phase I/II Japan: Phase I	BBB-penetrating heparan N-sulfatase (rDNA origin)	• ERT • J-Brain Cargo®
JR-446	LSD MPS type III B (Sanfilippo B)	Japan: Phase I/II	BBB-penetrating $\alpha$ - N- acetylglucosamini- dase (rDNA origin)	• ERT • J-Brain Cargo®
JR-471	LSD fucosidosis	Preclinical	BBB-penetrating $\alpha$ - L-fucosidase (rDNA origin)	• ERT • J-Brain Cargo®
JR-479	LSD GM2-gangliosidosis (Tay-Sachs, Sandhoff)	Preclinical	BBB-penetrating $\beta$ - hexosaminidase-A (rDNA origin)	• ERT • J-Brain Cargo®
JR-162	LSD Pompe disease	Preclinical	J-Brain Cargo® - applied acid $\alpha$ - glucosidase (rDNA origin)	• ERT • J-Brain Cargo®
JR-443	LSD MPS type VII (Sly)	Preclinical	BBB-penetrating $\beta$ - glucuronidase (rDNA origin)	• ERT • J-Brain Cargo®

(Note) LSD: Lysosomal storage disorder

## 2. State of financing

In order to procure quick and stable working capital, the Company have entered into commitment line agreements with major financial institutions totaling 49.5 billion yen. Of that amount, 26.5 billion yen was from commitment line agreements to raise funds related to the construction of a new formulation plant. As for the construction of the new plant, the project has been selected by the Ministry of Economy, Trade and Industry (METI) for its “Developing biopharmaceutical manufacturing sites to strengthen vaccine production” project, and the construction for this project will be carried out using subsidies from METI. The commitment line agreement is intended to provide the necessary funds until receipt of the subsidies.

## 3. State of capital expenditure

Capital expenditures in the fiscal year under review totaled 8,585 million yen, including capital investments of 293 million yen in R&D facilities and of 7,428 million yen in pharmaceutical manufacturing and marketing facilities.

(Note) All amounts are rounded down to the nearest million yen.

## 4. Challenges need to be addressed

Forward-looking statements contained in this document are based on information available as of the end of the fiscal year under review.

### (1) Business Policies

On the occasion of the 50th anniversary of our founding, we have taken a moment to reflect on what truly matters—our role in society, what we stand for, and how we move forward. This reflection has led us to renew our corporate philosophy, bringing even more clarity to our purpose and the values we share, in May 2025.

#### ○ Corporate philosophy

We create treatments that go beyond rare disease to solve the world’s most complex healthcare challenges

#### ○ Core values

##### People

Everything starts with people. Patients, families and healthcare professionals as well as our employees who are taking the same journey. Our initiatives start by responding to each individual’s needs.

Originality

We are not bound by conventional wisdom or precedent. Creating things that no-one else can in our own way. That is the spirit in the basics of JCR's manufacturing.

Evolution

We do not stop. We always challenge the limits and continue to advance with the power of research. We keep moving forward for the future of patients and their families.

Excellence

Patients, employees and partners. We continue to strive for the highest levels for people. Commitment to quality is our pride as well as our responsibility.

(2) Corporate strategy, etc.

As for the financial results in fiscal 2024, we recorded net sales of 33,072 million yen (down 9,799 million yen from the previous fiscal year) and operating loss of 6,650 million yen (compared with operating income of 7,531 million yen in the previous fiscal year). This was because although domestic product net sales remained strong, amounting to 31,655 million yen (down 981 million yen from the previous fiscal year), R&D expenses of 15,431 million yen (up 4,196 million yen from the previous fiscal year) were necessary, and we were unable to conclude the licensing agreement whose conclusion had been scheduled to take place before the end of the fiscal year, so we were unable to record lump sum payment for the agreement.

We have started our five-year Midterm Business Plan "Reach Beyond, Together" in fiscal 2023. Under the plan, we have taken on unprecedented challenges in order to provide patients with treatments for lysosomal storage disease that employ our unique blood-brain barrier (BBB) technology "J-Brain Cargo<sup>®</sup>" as quickly as possible.

We have established systems and enhanced personnel for research and development, and to promote clinical development, particularly overseas, as well as to expand production activities. The number of JCR Group's employees grew by 108 from March 31, 2023 to 987 as of March 31, 2025. Due to the establishment of overseas development systems and active development activities, we were able to complete the registration of the global Phase III clinical trial for JR-141 ahead of the anticipated schedule. In addition, in the R&D field, we developed new gene therapy technologies that apply J-Brain Cargo<sup>®</sup>, which leads to solving issues of traditional gene therapy by improving brain tropism and dramatically reducing liver tropism. Furthermore, in the production field, through our outsourcing of vaccine drug manufacturing in 2021, we discovered potential for outsourcing business that utilizes the Company's production technologies and know-how. In the operation field, a competitor encountered supply difficulties for our core product GROWJECT<sup>®</sup> in fiscal 2023. At this time, our production division boldly and quickly changed its manufacturing plans and increased production, with our sales division working together with this, fulfilling our obligation to ensure a stable supply of products by supplying alternatives.



(FOR REFERENCE PURPOSE)

Because of this, net sales of GROWJECT® suddenly rose roughly 1.5-fold and we also maintain a high market share in the current fiscal year. With regard to IZCARGO®, net sales have continued to increase as a result of our company-wide activities aimed at building up evidence and supplying information.

The Company has continued active and future-oriented growth investment through the licensing revenue from the sales of domestic products and out-licensing agreements to external companies to date. However, the results in the fiscal year under review make us recognize that there is a risk in relying on licensing revenue as the source of growth investment.

At present, we have active discussion about matters including the improvement in our drug discovery capabilities so that we can quickly deliver the latest pharmaceuticals to people in Japan. In addition, in the U.S. there is a rapidly changing regulatory environment. As one of Japan's few companies with biopharmaceutical technologies and gene therapy technologies, the Company will continue to develop our business with stability by monitoring the direction of domestic and overseas policies and the regulatory environment, while setting the reinforcement of our domestic business foundation over the medium to long term as a top priority, so that we can supply the world with fundamental technologies and revolutionary pharmaceuticals made with those technologies.

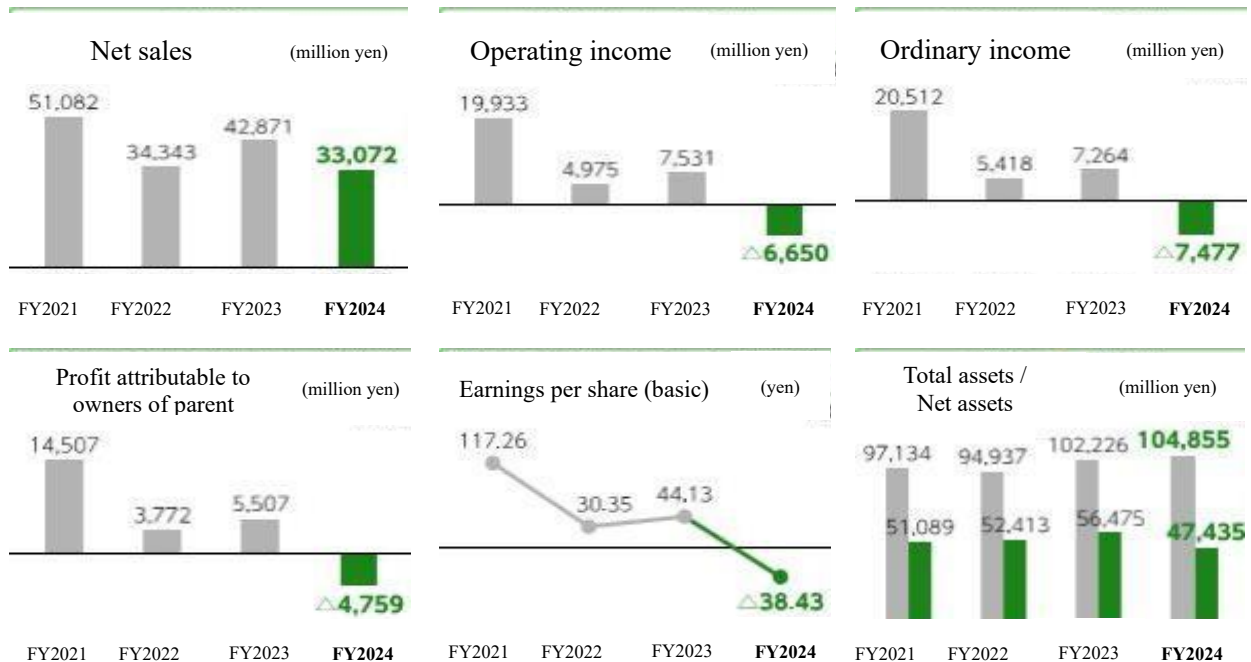
(FOR REFERENCE PURPOSE)

## 5. Trends in assets and profit and loss

### (1) Trends in the state of business results and assets of JCR Group

Category		47th term Fiscal year 2021	48th term Fiscal year 2022	49th term Fiscal year 2023	50th term (term under review) Fiscal year 2024
Net sales	(million yen)	51,082	34,343	42,871	<b>33,072</b>
Operating income (loss)	(million yen)	19,933	4,975	7,531	<b>(6,650)</b>
Ordinary income (loss)	(million yen)	20,512	5,418	7,264	<b>(7,477)</b>
Profit (loss) attributable to owners of parent	(million yen)	14,507	3,772	5,507	<b>(4,759)</b>
Earnings (loss) per share (basic)	(yen)	117.26	30.35	44.13	<b>(38.43)</b>
Total assets	(million yen)	97,134	94,937	102,226	<b>104,855</b>
Net assets	(million yen)	51,089	52,413	56,475	<b>47,435</b>

(Note) All amounts are rounded down to the nearest million yen.



## (FOR REFERENCE PURPOSE)

## (2) Trends in the business results and assets of the Company

Category		47th term Fiscal year 2021	48th term Fiscal year 2022	49th term Fiscal year 2023	50th term (term under review) Fiscal year 2024
Net sales	(million yen)	51,081	34,343	42,871	<b>33,071</b>
Operating income (loss)	(million yen)	20,137	5,095	7,549	<b>(6,900)</b>
Ordinary income (loss)	(million yen)	20,425	5,284	8,048	<b>(7,569)</b>
Profit (loss)	(million yen)	14,446	3,687	6,364	<b>(4,746)</b>
Earnings (loss) per share	(yen)	116.77	29.67	51.00	<b>(38.33)</b>
Total assets	(million yen)	97,033	94,551	102,102	<b>103,514</b>
Net assets	(million yen)	50,939	52,006	56,141	<b>46,254</b>

(Note) All amounts are rounded down to the nearest million yen.

## 6. Important subsidiaries, etc.

## Subsidiaries

Company Name	Capital	Investment Ratio of the Company	Description of Main Business
Chromatech Co., Ltd.	10 million yen	100.0 %	Sale of medical and laboratory equipment
JCR Engineering Co., Ltd.	10 million yen	100.0 %	Processing and custody of facility information Facility management Construction management
JCR INTERNATIONAL SA	1 million CHF	100.0 %	Surveys toward market development and investments related to pharmaceuticals
JCR USA, Inc.	5 million USD	65.0 %	Management and supervision of outsourcing to the CRO related to clinical trials
ArmaGen, Inc.	1 USD	100.0 %	Development of pharmaceuticals and management of intellectual property and licenses
JCR DO BRASIL FARMACÊUTICOS IMPORTAÇÃO E EXPORTAÇÃO LTDA.	10 million BRL	100.0 %	Clinical operations, regulatory affairs and development in Brazil
JCR Luxembourg S.A.	5 million Euro	100.0 %	Manufacture, packaging, storage and distribution of pharmaceuticals and raw materials
JCR Europe B.V.	0.5 million Euro	100.0 %	Clinical operations, regulatory affairs and development in Europe

## 7. Scope of main business

The Company Group manufactures, purchases and sells ethical pharmaceuticals, regenerative medicine products, active pharmaceutical ingredients and raw materials and also purchases and sells laboratory instruments, apparatus and medical equipment.

## 8. Main places of business and manufacturing sites

(1) JCR Pharmaceuticals Co., Ltd.

Category	Name (Location)
Head Office	Head Office (Ashiya, Hyogo Prefecture)
Office	Tokyo Office (Minato-ku, Tokyo)
Manufacturing Sites	Seishin Plant (Nishi-ku, Kobe)
	Kobe Plant (Nishi-ku, Kobe)
	Murotani Plant (Nishi-ku, Kobe)
	Kobe API Plant (Nishi-ku, Kobe)
Research Laboratory	Kobe Science Park Center (Nishi-ku, Kobe)
	Research Institute (Nishi-ku, Kobe)
	Bio Research Center (Nishi-ku Kobe)

(FOR REFERENCE PURPOSE)

(2) Subsidiaries

Category	Name (Location)
Japan	Chromatech Co., Ltd. (Nishinomiya, Hyogo) JCR Engineering Co., Ltd. (Nishi-ku, Kobe)
Overseas	JCR INTERNATIONAL SA (Switzerland) JCR USA, Inc. (USA) ArmaGen, Inc. (USA) JCR DO BRASIL FARMACÊUTICOS IMPORTAÇÃO E EXPORTAÇÃO LTDA. (Brazil) JCR Luxembourg S.A. (Luxembourg) JCR Europe B.V. (the Netherlands)

9. Employees

Business Division	Number of Employees
Pharmaceuticals	853
Medical devices and laboratory equipment	7
Company-wide (shared)	127
Total	987

(Note) The number of employees refers to the employed workforce.

10. Principal Lenders

Lender	Loan Value
MUFG Bank, Ltd.	13,155 million yen
Sumitomo Mitsui Banking Corporation	8,969 million yen
Mizuho Bank, Ltd.	8,372 million yen

(Note) All amounts are rounded down to the nearest million yen.

## 2 Matters Related to the Shares of the Company

### 1. State of shares

(1) Total number of authorized shares	320,000,000 shares	
(2) Total number of outstanding shares	129,686,308 shares	(including 7,594,502 shares held as treasury shares)
(3) Number of shareholders at the end of the term under review	23,046 shareholders	

### 2. Principal shareholders (Top 10)

Name of Shareholder	Number of Shares Held	Ratio of Shareholding
Medipal Holdings Corporation	29,131,000 shares	23.86%
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,409,000 shares	8.52%
Future Brain Co., Ltd.	8,711,000 shares	7.13%
The Nomura Trust and Banking Co., Ltd. (Trust A Account)	6,298,000 shares	5.15%
Custody Bank of Japan, Ltd. (Trust Account)	5,366,000 shares	4.39%
Kissei Pharmaceutical Co., Ltd.	4,918,000 shares	4.02%
Mochida Pharmaceutical Co., Ltd.	2,200,000 shares	1.80%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1,545,000 shares	1.26%
Employee Shareholding Association of JCR Pharmaceuticals Co., Ltd.	1,319,000 shares	1.08%
BNY GCM CL IENT ACCOUNT JPRD AC ISG (FE-AC)	1,170,000 shares	0.95%

- (Notes) 1. For Number of Shares Held, values of less than 1,000 shares are rounded down, and for Ratio of Shareholding, all amounts are rounded down to the second decimal place.
2. The Company holds 7,594,502 shares of the Company; however it is not included in the table above.
3. 256,500 shares of the Company held with Custody Bank of Japan, Ltd. (Trust E Account) following the adoption of Benefit Trust Scheme (J-ESOP), are not included in treasury shares of the Company (7,594,502 shares).
4. Ratios of shareholding have been calculated after deducting treasury shares from the total number of outstanding shares.

### 3. State of shares granted as compensation for the execution of duties to officers of the Company during the fiscal year under review

	Number of Shares	Recipients
Directors (excluding Outside Directors)	462,000 shares	5
Outside Directors	10,000 shares	5

(Note) Details of the Company's stock-linked compensation can be found in "4. Officers 4. Compensation, etc. of Directors and Audit & Supervisory Board Members" of the Report on business results.

### 4. Other important matters related to shares

#### (1) Acquisition of treasury shares

In accordance with the resolution of the Board of Directors meeting held on October 30, 2024, the Company has acquired treasury shares as follows:

- i. Type of shares acquired: Common stock of the Company
- ii. Total number of shares acquired: 3,672,000 shares
- iii. Acquisition price: 2,530,008,000 yen
- iv. Acquisition date: November 1, 2024
- v. Acquisition method: Purchase through the Tokyo Stock Exchange's Off-Auction Own Share Repurchase Trading system (ToSTNeT-3)

#### (2) Disposal of treasury shares as restricted share compensation

In accordance with the resolution of the 49th Ordinary General Meeting of Shareholders held on June 26, 2024, the Company has introduced a restricted share compensation plan. In the fiscal year under review, the Board of Directors resolved on July 23, 2024, to dispose of treasury shares as restricted share compensation. Accordingly, on August 22, 2024, the Company disposed of 663,500 shares of treasury shares to the following recipients: ten (10) Directors (including Outside Directors), five (5) Corporate Officers (not concurrently serving as Directors), three (3) employees, and two (2) Directors concurrently serving at subsidiaries.

### 3 Matters Related to the New Shares Acquisition Rights of the Company

#### 1. State of shares acquisition rights granted as compensation for the execution of duties held by Officers of the Company on the last day of the fiscal year under review

Date of Resolution on Issue	Period of Exercise		Exercise Price	Recipients	Number of Rights (Note)
July 25, 2014	From To	August 15, 2014 August 14, 2044	1 yen	1 Audit & Supervisory Board Member	10

(Note) With the introduction of the restricted share compensation plan, Directors, etc. have forfeited all unexercised shares acquisition rights previously granted as stock-linked compensation stock options during the fiscal year under review.

#### 2. State of new share acquisition rights granted to the Company employees as compensation for the execution of duties during the fiscal year under review

No relevant items

#### 3. Other important matters related to new share acquisition rights, etc.

No relevant items



## 4 Officers (As of March 31, 2025)

### 1. Names, etc., of Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities, Principal Duties, and Significant Concurrent Positions
Representative Director, Chairman and President Chief Executive Officer (CEO) and Chief Operating Officer (COO)	Shin Ashida	Member of the Board of Directors of Future Brain Co., Ltd. Representative Director and President of JCR INTERNATIONAL SA
Member, Board of Directors Senior Managing Executive Officer	Toru Ashida	In charge of Sales Executive Director of Sales Division, Representative Director and President of Future Brain Co., Ltd.
Member, Board of Directors Senior Managing Executive Officer	Hiroyuki Sonoda	In charge of Research Executive Director of Research Division Representative Director and President of AlliedCel Corporation
Member, Board of Directors Managing Executive Officer	Yoshio Hiyama	In charge of Quality Assurance Executive Director of Quality Assurance Division Director of JCR Luxembourg S.A.
Member, Board of Directors Managing Executive Officer	Andrea Spezzi	In charge of Development Andrea Spezzi Executive Consultant Independent Board Director of Bloomsbury Genetic Therapies Advisor and acting Partner of Discovery Ventures Healthcare Fund
Member, Board of Directors	Takashi Suetsuna	Outside Director of Totetsu Kogyo Co., Ltd. Outside Audit & Supervisory Board Member of Keikyu Corporation Outside Audit & Supervisory Board Member of Kandenko Co., Ltd.
Member, Board of Directors	Toshihide Yoda	Senior Vice President of Medipal Holdings Corporation Director of JCR USA, Inc.
Member, Board of Directors	Yuko Hayashi	Professor of Graduate School of Innovation and Technology Management of Yamaguchi University Executive Director of 3.11 Earthquake Orphans Cultural and Sports Support Facilitation Corporation of Public Interest Incorporated Association Director of Kawamura Scholarship Foundation Director of Urakami Foundation for Food and Food Culture Promotion Director of Institute for Drug Discovery Innovation

## (FOR REFERENCE PURPOSE)

Position	Name	Responsibilities, Principal Duties, and Significant Concurrent Positions
Member, Board of Directors	Yutaka Atomi	President Emeritus of Kyorin University Outside Audit & Supervisory Board Member of Sanki Engineering Co., Ltd. Outside Director of Pasona Inc. President of Atomi Gakuen President of International Medical Research Foundation President of The Japan China Medical Association
Member, Board of Directors	Philippe Fauchet	External Director of Noile-Immune Biotech Inc. External Director of Rezolute, Inc. (RZLT) Outside Director of LUCA Science Inc. Director of Medical Excellence JAPAN
Member, Board of Directors	Marc Dunoyer	Chief Strategy Officer of AstraZeneca Group Chief Executive Officer of Alexion, AstraZeneca's Rare Disease Group Chairman of AstraZeneca KK Director of Collectis SA
Full-Time Audit & Supervisory Board Member	Kazumasa Oizumi	
Audit & Supervisory Board Member	Kazuhiko Yamada	Head of Kazuhiko Yamada Tax Accountant Offices Outside Director of Create Corporation (Member of Audit and Supervisory Committee)
Audit & Supervisory Board Member	Kenjiro Miyatake	Advisor of TAMURA PHARMACEUTICAL CO., LTD. Advisor of Kwansei Gakuin University Member of the Board of Councilors of Foundation for Kobe International Medical Alliance Member of the Board of Councilor of Mirai Research Institute University of TOHO HOLDINGS CO., LTD. Advisor of MP Gokyo Food & Chemical Co., Ltd.
Audit & Supervisory Board Member	Takeshi Komura	Board Chairman of The Iwatani Naoji Foundation President of Nihon Club
Audit & Supervisory Board Member	Shuichi Tani	Honorary President of International University of Health and Welfare

- (Notes) 1. The Company designated six (6) Outside Directors; Mr. Takashi Suetsuna, Mr. Toshihide Yoda, Dr. Yuko Hayashi, Mr. Yutaka Atomi, Mr. Philippe Fauchet and Mr. Marc Dunoyer, among which the four (4) Outside Directors; Mr. Takashi Suetsuna, Dr. Yuko Hayashi, Mr. Yutaka Atomi and Mr. Philippe Fauchet are Independent Directors who are not likely to conflict of interest with the general shareholders as defined by the Tokyo Stock Exchange, Inc.
2. The Company designated five (5) Outside Audit & Supervisory Board Members; Mr. Kazumasa Oizumi, Mr. Kazuhiko Yamada, Mr. Kenjiro Miyatake, Mr. Takeshi Komura and Mr. Shuichi Tani are Independent Audit & Supervisory Board Members who are not likely to conflict of interest with the general shareholders as defined by the Tokyo Stock Exchange, Inc.
3. Audit & Supervisory Board Member Mr. Kazumasa Oizumi has many years of experience at financial institutions; Audit & Supervisory Board Member Mr. Kazuhiko Yamada is a qualified tax accountant and has appreciable extent of knowledge with regard to finance and accounting; Audit & Supervisory Board Member Mr.

(FOR REFERENCE PURPOSE)

Kenjiro Miyatake has experience as business manager in the pharmaceutical industry; Audit & Supervisory Board Member Mr. Takeshi Komura has extensive experience and high insight in administrative and financial institutions; Audit & Supervisory Board Member Mr. Shuichi Tani has extensive experience and high insight on health care and medical welfare.

4. The Company has introduced a Corporate Officer system in order to streamline the management organization and strengthen the functions of the Board of Directors.

The Corporate Officers are as follows.

Director	Toru Ashida	In charge of Sales Executive Director of Sales Division
Senior Managing Executive Officer		
Director	Hiroyuki Sonoda	In charge of Research Executive Director of Research Division
Senior Managing Executive Officer		
Director	Yoshio Hiyama	In charge of Quality Assurance Executive Director of Quality Assurance Division
Managing Executive Officer		
Director	Andrea Spezzi	In charge of Development
Managing Executive Officer		
Senior Managing Executive Officer	Toshihiro Ishikiriya	Executive Director of Business Development Division
Managing Executive Officer	Junichi Ando	Executive Director of Production Division
Senior Executive Officer	Yoh Ito	Executive Director of Corporate Strategy Division
Senior Executive Officer	Yutaka Honda	Executive Director of Administration Division Director of Human Resources Planning Department
Senior Executive Officer	Takayo Egawa	Manager of International Affairs Office
Senior Executive Officer	Anne Bechet	Executive Director of Development Division
Executive Officer	Makoto Ashida	Assistant Director of Production Division

As of April 1, 2025, Mr. Makoto Ashida has been appointed as Executive Officer, Assistant Director of Production Division, and Director of Production Management Unit.

## 2. Summary of the details of liability limitation contract

The Company has set a provision in the Articles of Incorporation for concluding liability limitation contracts with Directors and Audit & Supervisory Board Members who do not participate in the execution of operation so that we can call on excellent and appropriate human resources readily and they can fully exercise their expected role.

Under the said provision and based on the stipulations of Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company has concluded contracts with the Outside Directors Mr. Takashi Suetsuna, Mr. Toshihide Yoda, Dr. Yuko Hayashi, Mr. Yutaka Atomi, Mr. Philippe Fauchet, Mr. Marc Dunoyer and the five (5) Audit & Supervisory Board Members with respect to limiting their liabilities for damages under Paragraph 1, Article 423 of the Companies Act to the Minimum Liability Amount stipulated in Paragraph 1, Article 425 of the Companies Act so far as they are performing their duties in good faith and without gross negligence.

### 3. Summary of the details of directors and officers liability insurance contract

We have concluded an officer liability insurance (D&O insurance) contract with the insurance company as set forth in Paragraph 1 of Article 430-3 of the Companies Act, with Directors, Audit & Supervisory Board Members, and Corporate Officers as insured persons.

The outline of the contents of the applicable insurance contract shall be covered by the applicable insurance contract with respect to any loss or damage that the insured may incur as a result of the insured assuming responsibility for the execution of its duties or receiving a claim pertaining to the pursuit of such liability.

Provided, however, that such insurance contract shall not indemnify the insured against any claim for damages arising out of the willful or gross negligence of the insured.

The Company shall bear all insurance premiums and the insured shall not bear any insurance premiums.

### 4. Compensation, etc. of Directors and Audit & Supervisory Board Members

(1) Policies for determining details of executive compensation, etc.

At a meeting of the Board of Directors held on May 10, 2024, JCR passed a resolution regarding policies for determining the details of individual compensation, etc. for Directors.

On the occasion of this resolution by the Board of Directors, JCR consulted the Advisory Committee for Nomination, Compensation, etc. composed of one internal Director, three Outside Directors, and two Outside Audit & Supervisory Board Members beforehand and followed their recommendations. Furthermore, the President and CEO, delegated by the Board of Directors, determined the fixed compensation and the Board of Directors determined the restricted share compensation, respectively, and they are judged to be in line with said policies.

The details of the policies for determining individual compensation, etc., for Directors are as follows.

#### Basic policy concerning compensation, etc.

The basic policy on executive compensation is to establish and operate a system that is intended to enhance motivation to contribute to improved corporate value and morale while aiming for continued improvements to business performance on a medium- to long-term basis.

Compensation for Directors and Audit & Supervisory Board Members is classified into two types: fixed compensation and stock compensation. For the time being, the Company has not adopted a performance-linked compensation system.

Specifically, internal and outside Directors shall be compensated by fixed compensation and, with the aim of continuously increasing corporate value, stock-based compensation linked to shareholder returns.

Compensation for Audit & Supervisory Board Members consists solely of fixed compensation in the form of basic compensation.

Additionally, JCR has established an Advisory Committee for Nomination, Compensation, etc. with the goal of ensuring the independence and objectivity of Board of Director functions with regards to compensation, etc. As an advisory body to the Board of Directors, the committee includes Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

(FOR REFERENCE PURPOSE)

1. Policy for determining amount of individual compensation, etc., for basic compensation (monetary compensation) (including policy for the period of providing compensation etc. and determination of requirements)

Basic compensation for Directors is paid as monthly fixed compensation in accordance with each Director's duties. JCR determines the amount in line with the size of the individual's role while also referencing business conditions, social standards, and past payment history, etc., and pays the compensation at a specified time during the term of office. Note that the President and CEO, who is delegated by the Board of Directors, makes the final decision within a range determined through a resolution by the General Meeting of Shareholders upon full deliberation by the Advisory Committee for Nomination, Compensation, etc.

Basic compensation for Audit & Supervisory Board Members is paid as monthly fixed compensation in accordance with each Audit & Supervisory Board Member's duties. The amount is determined while referencing business conditions and social standards. Note that compensation for Audit & Supervisory Board Members is decided through discussion with Audit & Supervisory Board Members within a range determined through a resolution by the General Meeting of Shareholders.

2. Policy concerning performance-linked compensation

JCR has made it its management policy to aim for long-term growth by actively investing in research and development in innovative fields. The Company has decided not to adopt performance-linked compensation, which changes the amount of compensation in coordination with recent business performance, for the time being out of concern that it would work to discourage this type of investment activity.

3. Policy concerning details of non-monetary compensation and methods for calculating amounts and number of payments (including policy for the period of providing compensation etc. and determination of requirements)

Restricted share compensation plan provided as non-monetary compensation to internal Directors and Outside Directors is intended to enhance motivation to contribute to continued improvement in business performance and corporate value on a medium- to long-term basis, and is allotted every year on at a certain period. The number of shares to be allotted to each Director will be determined in accordance with each Director's position and role by the Board of Directors upon full deliberation by the Advisory Committee for Nomination, Compensation, etc.

4. Policy for determining the ratios of the amounts of monetary compensation and non-monetary compensation in the amount of individual compensation, etc.

With regard to the amounts of monetary and non-monetary compensation for internal Directors and Outside Directors, the ratio of the amount of individual compensation will be determined each fiscal year in order to respond flexibly to the contributions to business results by each Director in each fiscal year. In deciding the amounts, the Advisory Committee for Nomination, Compensation, etc. discusses the amounts to ensure they are appropriate for each type of compensation for each Director after taking into account all the elements set forth in the policy, while giving consideration to JCR's performance and business conditions.

The Board of Directors and the President and CEO, who is delegated by the Board of Directors, determine the details of individual compensation for each Director within the ratios for each type of compensation indicated

(FOR REFERENCE PURPOSE)

by the Advisory Committee for Nomination, Compensation, etc., respecting its recommendations. Compensation for Audit & Supervisory Board Members shall consist solely of fixed compensation (monetary compensation) in the form of basic compensation.

5. Matters concerning decisions about details of individual compensation, etc. for Directors

Concerning the decision of the amount of individual compensation, the President and CEO shall be delegated to decide on the specific details based on a resolution by the Board of Directors, and given authority to determine the amount of compensation for each Director. The Board of Directors consults the Advisory Committee for Nomination, Compensation, etc. about the original proposal so that the authority is exercised appropriately. Having been delegated, the President and CEO makes a decision based on the content of the recommendation.

(2) Total compensation, etc. for the current fiscal year

Category	Total compensation, etc. (million yen)	Total compensation, etc. by type (million yen)			Eligible executives
		Basic compensation	Performance- linked compensation, etc.	Non-monetary compensation, etc.	
Director (Outside Directors)	503 (80)	469 (76)	– (–)	34 (4)	12 (6)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Members)	63 (63)	63 (63)	– (–)	– (–)	5 (5)
Total (of which are outside executives)	567 (144)	533 (140)	– (–)	34 (4)	17 (11)

(Notes) 1 All amounts are rounded down to the nearest million yen.

2. Total compensation, etc. for Directors does not include the salaries of Directors who concurrently serve as employees.
3. The above includes two (2) Directors (including one (1) Outside Director) who stepped down at the conclusion of the 49th Ordinary General Meeting of Shareholders held on June 26, 2024.
4. The content of non-monetary compensation is our restricted share compensation, and the conditions at the time of allotment and the status of deliveries in the current fiscal year are described on “2 Matters Related to the Shares of the Company 3. State of shares granted as compensation for the execution of duties to officers of the Company during the fiscal year under review” and “4 Officers, 4. Compensation, etc. of Directors and Audit & Supervisory Board Members, (1) Policies for determining details of executive compensation, etc.” of the Report on business results. Additionally, with the introduction of the restricted share compensation plan, Directors, etc. have forfeited all unexercised shares acquisition rights previously granted as stock-linked compensation stock options during fiscal year under review.

(FOR REFERENCE PURPOSE)

5. At the 42nd Ordinary General Meeting of Shareholders held on June 28, 2017, it was resolved that the amount of compensation for Directors shall not exceed 500 million yen per year (of which no more than 100 million yen for Outside Directors; not including the salaries of Directors who concurrently serve as employees). At the conclusion of this Ordinary General Meeting of Shareholders, the number of Directors was ten (10) (including five (5) Outside Directors).

Moreover, separately from the above fixed compensation, at the 49th Ordinary General Meeting of Shareholders held on June 26, 2024, it was resolved that the maximum total annual amount of monetary compensation claims to be paid for the granting of restricted stock to Directors (including Outside Directors) shall be 200 million yen or less (of which 20 million yen or less is allocated to Outside Directors, and excluding the portion of salaries of Directors who concurrently serve as employees). It was also resolved that the total number of common shares of the Company shall be no more than 250,000 shares (of which 25,000 shares or less are allocated to Outside Directors). The number of eligible Directors at the conclusion of this Ordinary General Meeting of Shareholders was ten (10) (including five (5) Outside Directors).

For the fiscal year under review only, the Company has established the following transitional measures for the shift from new share acquisition rights granted as stock-linked compensation stock options to restricted stock compensation for Directors (excluding Outside Directors), as resolved at the 48th Ordinary General Meeting of Shareholders held on June 21, 2023.

In place of the complete forfeiture of unexercised stock-linked compensation stock options that has already been granted to Directors (excluding Outside Directors; hereinafter “Eligible Directors”), the Company resolved to set a maximum total annual amount of 600 million yen for monetary compensation claims granted separately from the fixed compensation mentioned above, to be used for granting restricted shares to Eligible Directors. Additionally, the Company resolved that the total number of common shares of the Company to be issued or disposed of within the fiscal year under review shall be no more than 440,000 shares. The number of Eligible Directors at the conclusion of this Ordinary General Meeting of Shareholders was four (4).

6. At the 42nd Ordinary General Meeting of Shareholders held on June 28, 2017, it was resolved that the amount of compensation for Audit & Supervisory Board Members shall not exceed 80 million yen per year. The number of Audit & Supervisory Board Members at the conclusion of this Ordinary General Meeting of Shareholders was five (5).
7. The Board of Directors delegates determination of the amount of fixed compensation for each Director to Representative Director, President and CEO Shin Ashida. The reason for this delegation is that the Company has decided that the president and CEO is suitable to evaluate the Directors in the division of which they are in charge, while giving consideration to the performance of the Company overall. The Board of Directors has decided non-monetary compensation (stock-linked compensation stock options/restricted share compensation). At the time of this determination, JCR consulted the Advisory Committee for Nomination, Compensation etc. beforehand and verified its validity etc.

## 5. Matters regarding the Outside Directors and Outside Audit & Supervisory Board Members

- (1) The Relationships between the Company and the Companies or Organizations Where the Outside Directors and Outside Audit & Supervisory Board Members Concurrently Hold Significant Positions
1. The Company and Medipal Holdings Corporation, which holds 23.86% of the Company's share, have entered into the agreement of investment in development pipeline, etc. of the Company.
  2. Mediceo Corporation is a subsidiary of Medipal Holdings Corporation which is the largest shareholder of the Company and has a trading relationship with the Company. The annual transaction amount is 44.5% of the total sales of the Company.
  3. JCR USA, Inc. is a subsidiary of the Company.
  4. We concluded joint research, option and licensing agreements with Alexion AstraZeneca Rare Disease on candidate materials of treatments for which the Company's J-Brain Cargo® technology is employed, targeting neurodegenerative diseases.
  5. There is no significant trading relationship between the Company and entities where its Outside Directors and Outside Audit & Supervisory Board Members hold concurrent positions, other than those indicated above.

(2) The Principal Activities of the Outside Directors and Outside Audit & Supervisory Board Members

Category	Name	Principal Activities
Outside Director	Takashi Suetsuna	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, he attended all meetings, and he made statements at those meetings, primarily based on his career and knowledge in public administrations over many years and global insights. In addition, as a member of the Nomination and Compensation Advisory Committee, he is actively involved from an objective and neutral standpoint in the selection of candidates for our executive positions and in the determination of compensation. In this way, he properly fulfills his roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.
Outside Director	Toshihide Yoda	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, he attended all meetings, and he made statements at those meetings, primarily based on his extensive knowledge as an analyst of pharmaceutical sector and experience engaging in much new company business. In this way, he properly fulfills his roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.



## (FOR REFERENCE PURPOSE)

Category	Name	Principal Activities
Outside Director	Yuko Hayashi, Ph.D.	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, she attended all meetings, and she made statements at those meetings, primarily based on her expertise on a wide range of extensive experience such as research activities on advanced medical care and promotion of women's participation and advancement in the workplace. In addition, as a member of the Nomination and Compensation Advisory Committee, she is actively involved from an objective and neutral standpoint in the selection of candidates for our executive positions and in the determination of compensation. In this way, she properly fulfills her roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.
Outside Director	Yutaka Atomi, M.D., Ph.D.	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, he attended all meetings. He has extensive experience and professional knowledge as a medical scholar, and he made statements at those meetings, primarily based on his standpoint as a medical scholar. In this way, he properly fulfills his roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.
Outside Director	Philippe Fauchet OBE	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, he attended all meetings. He has abundant experience and knowledge as the head of a global pharmaceutical company, and he made statements at those meetings. In this way, he properly fulfills his roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.
Outside Director	Marc Dunoyer	Among the fourteen (14) meetings held by the Board of Directors during the fiscal year under review, he attended thirteen (13) meetings. He made statements at those meetings based on his abundant experience as the head of a global pharmaceutical company, where he actively participated on the front lines over many years. In this way, he properly fulfills his roles and responsibilities as an outside director in ensuring the speed and appropriateness of decision-making with respect to our overall management.
Outside Audit & Supervisory Board Member	Kazumasa Oizumi	He attended all fourteen (14) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review, and he made statements at those meetings, primarily based on his career in the financial industry and experience as Outside Audit & Supervisory Board Member.
Outside Audit & Supervisory Board Member	Kazuhiko Yamada	He attended all fourteen (14) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review, and he made statements at those meetings, primarily based on his career in the financial industry and experience as Outside Audit & Supervisory Board Member.

(FOR REFERENCE PURPOSE)

Category	Name	Principal Activities
Outside Audit & Supervisory Board Member	Kenjiro Miyatake	He attended all fourteen (14) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review, and he made statements at those meetings, primarily based on his career in the financial industry and experience as Outside Audit & Supervisory Board Member.
Outside Audit & Supervisory Board Member	Takeshi Komura	He attended all fourteen (14) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review, and he made statements at those meetings, primarily based on his extensive experience and insights in administrative agencies and a wide range of finance as Outside Audit & Supervisory Board Member.
Outside Audit & Supervisory Board Member	Shuichi Tani	He attended all fourteen (14) meetings held by the Board of Directors and all thirteen (13) meetings held by the Audit & Supervisory Board during the fiscal year under review, and he made statements at those meetings, primarily based on his extensive experience and insights on health care, deep insight into medical welfare and educational institutions as Outside Audit & Supervisory Board Member.

## 5 Accounting Auditor

### 1. Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

### 2. Amount of compensation, etc., for the Accounting Auditor related to the fiscal year under review

(1) Amount of compensation for the auditing work as the Accounting Auditor of the Company

59 million yen

(2) Amount of compensation for the non-auditing work as the Accounting Auditor of the Company

– million yen

(3) Total value of money that the Company and the Company's subsidiaries should pay and other economic benefits

59 million yen

(Notes)1. All amounts are rounded down to the nearest million yen.

2. Regarding the compensation, etc., for the Accounting Auditor, the Audit & Supervisory Board has given consent to it under Paragraph 1, Article 399 of the Companies Act after having checked the time of audits by audit item, the transition of compensations for audits, the audit plan and achievements of past fiscal years, in light of the “Practical Guidelines for Cooperation with Financial Auditors” released by the Japan Audit & Supervisory Board Members Association followed by considering the adequacy and applicability of the estimated time of audits and amount of compensations for the fiscal year under review.

3. The amounts of the audit compensation, etc., for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not clearly distinguished in the audit contract concluded between the Company and the Accounting Auditor, and cannot be distinguished in reality either therefore the values given above are the total values.

### 3. Details of non-auditing work

No relevant items

### 4. Policy for determination of the dismissal or non-reappointment of an Accounting Auditor

(1) The Audit & Supervisory Board may dismiss an Accounting Auditor with the unanimous consent of all Audit & Supervisory Board Members if they are of the opinion that the Accounting Auditor falls under one of the categories stipulated in the items of Article 340, Paragraph 1 of the Companies Act and would cause a material adverse effect against the auditing work of the Company. In that case, Audit & Supervisory Board Members nominated by the Audit & Supervisory Board shall present a report at the earliest General Meeting of Shareholders convened after the dismissal to the effect that the Accounting Auditor has been dismissed, together with the reason for the dismissal.

(2) Apart from cases based on the circumstances of the Company, the Audit & Supervisory Board may also determine the contents of a proposal for the dismissal or non-reappointment of an Accounting Auditor and

(FOR REFERENCE PURPOSE)

the Board of Directors may submit the proposal to a General Meeting of Shareholders based on the determination, if the Accounting Auditor violates or infringes a law such as the Companies Act or Certified Public Accountants Act, etc., and in the opinion of the Audit & Supervisory Board, the duties of the Accounting Auditor is not or will not be carried out appropriately, or if a material adverse effect has or will have arisen in the auditing work of the Company due to the Accounting Auditor being punished with a work suspension order by the supervisory authorities

#### 5. Summary of the details of liability limitation contracts

The Company has no contract with the Accounting Auditor that limits its liability for damages under Article 423, Paragraph 1 of the Companies Act.

## 6 Company Systems and Policies

### 1. Systems to ensure the appropriateness of work

#### (1) Systems to ensure the appropriateness of work

- [1] Systems to ensure that the execution of the duties of Directors and employees conforms to laws and regulations, and the Articles of Incorporation

The Company has stipulated JCR Compliance Policy to ensure that the execution of the duties of Directors and the execution of the duties of employees who execute their duties under the direction and supervision of Directors conforms to laws and regulations. Moreover, the Company has prepared Compliance Handbook that have put the details of those standards into concrete form and is aiming for the diffusion and thorough implementation of the corporate philosophy, corporate ethics and compliance on an everyday basis by distributing those handbooks to all Directors and employees.

Furthermore, the Company will enhance educational activities by implementing internal training meetings organized by the Compliance Committee and issuing periodical compliance communications to ensure systems that enable strong awareness of both the Board of Directors and employees with regard to compliance at all times, and strive for the prevention of behavior that violates laws and regulations as well as voluntary industry standards and internal regulations.

Moreover, the Company is maintaining an internal audit system by the Internal Audit Division, conducting audits of the appropriate processing and efficiency of work management and audits of cross checks and monitoring of work, and preparing systems that allow the results of internal audits to be reflected fully in compliance systems.

- [2] Systems related to the storage and control of information pertaining to the execution of the duties of Directors

The Company prepares, stores and controls documents such as requests for approval, contracts based on internal regulations such as the regulations on requests for approval, document control regulations, information security and control regulations, and contract work management regulations, etc., and ensures that system with regard to access to information pertaining to the execution of the duties of Directors and the execution of the duties of employees who execute their duties under the direction and supervision of Directors. The Company will strive for the further enhancement of these systems in the future.

- [3] Regulations related to management of the risk of loss and their systems

The Company establishes a basic risk management guideline and develops a risk management system under the guideline. The Company apprehends exposure of risk in corporate activities as a company that handles products, namely drugs, related to people's health, has established procedures related to risk control in each division, as well as systems with which it can prevent the occurrence of risk, manage risk, and respond to risk that has occurred in collaboration with the concerned committees such as the Risk Management Promotion Committee, Internal Control Committee and Compliance Committee. In particular, as a

(FOR REFERENCE PURPOSE)

pharmaceutical company, the Company regularly holds meetings of the three executives of manufacturing and marketing (the marketing supervisor-general, quality assurance manager and safety management supervisor) in accordance with regulations of the Pharmaceutical and Medical Device Act, and has constructed systems that assure the quality, effectiveness and safety of drugs.

Moreover, while expanding its operations globally, the Company will introduce the global-standard drug quality system and pursue an even higher level of safety.

[4] Systems to ensure that the execution of the duties of Directors is carried out efficiently

The Company has introduced a Corporate Officer system and adopted systems whereby work based on decision-making by the Board of Directors is executed promptly and efficiently by each Corporate Officer. The Company holds regular meetings of the Board of Directors once a month, otherwise regularly holds meetings of a Management Council with members comprising Directors and Corporate Officers etc., aims for communication between both Directors and Corporate Officers with regard to the execution of duties and has established systems that enable appropriate measures to be taken quickly based on regular reporting of matters like the state of progress toward the work targets of each division.

Decision-making in the everyday execution of duties is carried out based on the regulations on the segregation of duties and the regulations on management authority, etc., and the Company will further simplify decision-making routes and make the execution of duties more efficient in the future by the revision of management authority, etc. at appropriate times.

[5] Systems to ensure the appropriateness of work in the Company Group

The Company manages its subsidiaries based on regulations on the management of affiliated companies. In addition, regarding reporting to the Company about matters related to execution of duties of Directors, etc. of subsidiaries, has supervisory Directors report regularly in regard to the status of execution of work at meetings of the Company's Board of Directors, and has adopted systems whereby the financial status and status of execution of work can be confirmed at all times.

Regarding the management of the risk of loss at subsidiary companies, we have constructed a system to manage risks, including risk prevention, and to deal with risks that have occurred, by applying the Company's basic risk management guideline at subsidiary companies. We also have subsidiary companies report the status of the risk management to the Company periodically or as needed. Furthermore, in order to ensure that the duties of Directors, etc. at subsidiary companies are executed efficiently, the Company has streamlined the decision-making route and made the execution of duties more efficient, and periodically received reports of the status of these matters.

In addition, JCR Compliance Policy and Compliance Handbook are applied at subsidiary companies to ensure that the duties of Directors, etc. and employees at subsidiary companies are executed in compliance with laws, regulations and the Articles of Incorporation.

Audit & Supervisory Board Members requests subsidiary companies to report on operations when it is necessary for Audit & Supervisory Board Members to execute its duties and also surveys the state of business and asset performance of the Group companies.

(FOR REFERENCE PURPOSE)

- [6] Systems related to the employees in question in the event of the appointment of employees having been requested by Audit & Supervisory Board Members to assist in its duties and systems related to the independence of those employees from Directors and the securing of the effectiveness of instructions by Audit & Supervisory Board Members to those employees

Employees who shall assist the duties of Audit & Supervisory Board Members shall be appointed in accordance with the needs of Audit & Supervisory Board Members and the Directors shall respect the opinions of Audit & Supervisory Board Members in regard to those personnel matters in order to ensure the independence of those employees from Directors. In securing the effectiveness of instructions by Audit & Supervisory Board Members to those employees, the employees shall execute their duties under the supervision and direction of Audit & Supervisory Board Members and the Company cooperates in improving the auditing environments.

- [7] Systems related to reports from the Company's and subsidiary companies' Directors and employees to Audit & Supervisory Board Members and systems to ensure that those reporters will not be unfavorably treated due to those reports

The Managing Directors shall regularly report on the status of the execution of their duties at meetings of the Board of Directors, and the Company's Directors and employees shall report promptly, from time to time as prescribed by Audit & Supervisory Board Members, with regard to the work of the Company and important matters that exert an impact on the work of the Company or its subsidiaries.

In addition, the Company has set up a contact point for whistle-blowing inside and outside the Company for all of the Company's and subsidiary companies' employees, and from the viewpoints of laws, regulations and rules, the Company has adopted a system whereby behaviors against them and events that will have a significant influence will be promptly reported to Audit & Supervisory Board Members through an outside contact point.

The Company ensures, pursuant to the whistle-blowing system, that individuals who make a report to Audit & Supervisory Board Members will not be unfavorably treated at all due to the report.

- [8] Matters related to expenses incurred for the execution of duties of Audit & Supervisory Board Members or matters related to policies on the disposal of debts

When Audit & Supervisory Board Members request an advance payment of expenses incurred for the execution of their duties, a reimbursement of expenses, spent, or debts borne, this request shall be accepted according to predefined procedures unless the said expenses requested are recognized obviously unnecessary for the execution of duties of Audit & Supervisory Board Members.

- [9] Other systems to ensure that the audits by Audit & Supervisory Board Members are carried out effectively  
Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important meetings, or review important documents related to the execution of work and arrange the auditing environments so that they can request explanations from Directors, employees or the Accounting Auditor as necessary.

(FOR REFERENCE PURPOSE)

[10] The fundamental principles towards the exclusion of anti-social forces and its scheme

The basic policy of the Company is to “resolutely confront antisocial forces that pose a threat to civil society and make unjust and illegal demands” and the Company raises that policy in its code of practice to familiarize all executives and employees thoroughly. The Company has also constructed and maintained close-knit cooperative relations with police forces of respective district and expert external institutions and gathered information on anti-social forces and groups proactively. The Company has constructed systems that enable it to cooperate closely with external institutions and legal experts and cope when any incident occurs.

(2) Summary of the operational status of systems to ensure the adequacy of work

[1] Operational status for ensuring that the execution of the duties of Directors and employees conforms to laws and regulations, and the Articles of Incorporation

We communicate and disseminate the compliance and the JCR Compliance Policy to all Directors and employees including subsidiary companies by means such as distribution of Compliance Handbooks, implementation of company-wide training and regular issuance of compliance newsletters. Additionally, we make efforts for prevention and suppression of violating acts by setting up a contact point for whistle-blowing inside and outside the Company. Furthermore, we reflect the results of internal audits in the execution of work and enrichment of the compliance system.

[2] Operational status related to the storage and control of information pertaining to the execution of the duties of Directors

Regarding the handling of information at the Company, we have rigorous access restrictions in place for each job level, division, department and project. Information to be transmitted externally is utilized in a rigorous manner in accordance with the “Detailed Regulations on Handling of Internal Information to be Transmitted Outside the Company.”

[3] Operational status related to management of the risk of loss

In order to minimize losses or disadvantages, the Company regularly sorts out significant risks across the company and at each division under the initiative of the Risk Management Promotion Office, and constructs and runs preventive measures and countermeasures in collaboration with the Internal Control Committee, the Compliance Committee and the Safety and Health Committee.

[4] Operational status for ensuring that the execution of the duties of Directors is carried out efficiently

In addition to meetings of the Board of Directors and the Audit & Supervisory Board to be held twice a month, we regularly hold meetings of a Management Council consisting of Directors and Corporate Officers twice a month, and confirm and evaluate whether the execution of work is operated efficiently and accurately at each conference body.

[5] Operational status for ensuring the adequacy of work in the Company Group

Subsidiary companies’ Directors review the status of the execution of work and the status of financial affairs and then report regularly to the Company’s Board of Directors. Also regarding the management of the risk



(FOR REFERENCE PURPOSE)

of loss and the conformity to laws, regulations and the Articles of Incorporation, the Company regularly checks the operational status through making efforts for sorting out and handling risks and disseminating the compliance by applying the Company's related regulations.

[6] Operational status for ensuring that the audits by Audit & Supervisory Board Members are carried out effectively

Audit & Supervisory Board Members perform audits based on the auditing plan established by the Audit & Supervisory Board, and also conduct hearing of Corporate Directors, employees, Directors of subsidiary companies, and the Accounting Auditor as needed.

[7] Efforts toward the exclusion of anti-social forces

We make efforts for regularly communicating basic policies with Corporate Directors and employees and collecting information from related institutions, and at the time of occurrence of an event, we collaborate with the competent police and law firms.

## 2. Policy on the declaration of dividends of surplus

The Company regards the distribution of its profits to shareholders as an important management policy.

The basic policy of the Company in regard to the declaration of dividends of surplus, etc., is to provide continuous and stable dividends by taking into account of factors such as business performance and cash flow while securing sufficient internal reserves for the development of new drug products and the strengthening of financial status that will be the source of future profits. The Board of Directors meeting held on May 13, 2025 resolved to pay a dividend of 10 yen per share in the year-end dividend under the abovementioned basic policy.

Accordingly, the full-year dividend for the fiscal year under review after adding the interim dividend is 20 yen per share (interim dividend of 10 yen; year-end dividend of 10 yen).

The Company intends to retain undistributed surplus as a resource for funding the enhancement of business structure and contribution to continuous profit return.

Furthermore, for the next fiscal year (fiscal year ending March 31, 2026), the Company plans to pay dividends of 20 yen per share (interim dividend of 10 yen; year-end dividend of 10 yen).

## (FOR REFERENCE PURPOSE)

## Consolidated Balance Sheet (as of March 31, 2025)

(unit: million yen)

Accounting Item	Amount	Accounting Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>[Current assets]</b>	<b>[51,056]</b>	<b>[Current liabilities]</b>	<b>[43,988]</b>
Cash and deposits	13,196	Notes and accounts payable - trade	590
Notes and accounts receivable - trade, and contract assets	12,236	Short-term loans payable	23,005
Merchandise and finished goods	2,571	Current portion of long-term loans payable	3,050
Work in process	6,388	Accounts payable - other	3,061
Raw materials and supplies	12,799	Income taxes payable	36
Other	3,866	Special suspense account for tax purpose reduction entry	11,996
		Provision for bonuses	1,089
		Provision for directors' bonuses	127
		Other	1,032
<b>[Non-current assets]</b>	<b>[53,798]</b>	<b>[Non-current liabilities]</b>	<b>[13,431]</b>
<b>Property, plant and equipment</b>	<b>(37,410)</b>	Long-term loans payable	12,050
Buildings and structures	13,229	Provision for employee shares benefit	120
Machinery, equipment and vehicles	2,451	Net defined benefit liability	966
Land	10,587	Other	294
Construction in progress	9,495	<b>Total liabilities</b>	<b>57,420</b>
Other	1,645		
<b>Intangible assets</b>	<b>(2,960)</b>	<b>Net Assets</b>	
Patents	1,881	<b>[Shareholders' equity]</b>	<b>[45,579]</b>
Other	1,079	Capital stock	9,061
<b>Investments and other assets</b>	<b>(13,427)</b>	Capital surplus	10,392
Investment securities	9,629	Retained earnings	31,191
Net defined benefit asset	307	Treasury shares	-5,066
Deferred tax assets	2,985	<b>[Accumulated other comprehensive income]</b>	<b>[1,387]</b>
Other	510	Valuation difference on available-for-sale securities	937
Allowance for doubtful accounts	-4	Deferred gains or losses on hedges	2
		Foreign currency translation adjustment	393
		Remeasurements of defined benefit plans	53
		<b>[Share acquisition rights]</b>	<b>[75]</b>
		<b>[Non-controlling interests]</b>	<b>[392]</b>
		<b>Total net assets</b>	<b>47,435</b>
<b>Total assets</b>	<b>104,855</b>	<b>Total liabilities and net assets</b>	<b>104,855</b>

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.

## (FOR REFERENCE PURPOSE)

## Consolidated Statement of Income (From April 1, 2024 to March 31, 2025)

(unit: million yen)

Accounting Item	Amount	
Net sales		33,072
Cost of sales		11,333
Gross profit		21,738
Selling, general and administrative expenses		28,389
Operating income (loss)		-6,650
Non-operating income		
Interest income	113	
Dividend income	34	
Commission income	36	
Other	76	260
Non-operating expenses		
Share of loss of entities accounted for using equity method	467	
Interest expenses	155	
Foreign exchange losses	196	
Depreciation	191	
Commission fee	61	
Other	15	1,088
Ordinary income (loss)		-7,477
Extraordinary income		
Gain on reversal of share acquisition rights	393	
Gain on cancellation of contracts	627	
Gain on sale of non-current assets	0	
Other	44	1,065
Extraordinary losses		
Loss on disposal of non-current assets	2	2
Profit (loss) before income taxes		-6,414
Income taxes-current	52	
Income taxes-deferred	-1,771	-1,718
Profit (loss)		-4,695
Profit attributable to non-controlling interests		63
Profit (loss) attributable to owners of parent		-4,759

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.

## (FOR REFERENCE PURPOSE)

## Consolidated Statements of Changes in Equity (From April 1, 2024 to March 31, 2025)

(unit: million yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at beginning of current period	9,061	10,384	37,278	-2,963	53,761
Changes of items during period					
Dividends of surplus			-2,508		-2,508
Profit (loss) attributable to owners of parent			-4,759		-4,759
Purchase of treasury shares				-2,530	-2,530
Disposal of treasury shares		8		426	435
Change in scope of equity method			1,180		1,180
Net changes of items other than shareholders' equity					
Total changes of items during period	—	8	-6,087	-2,103	-8,181
Balance at end of current period	9,061	10,392	31,191	-5,066	45,579

	Accumulated other comprehensive income					Subscripti on Rights to Shares	Non- controllin g Interests	Total Net Assets
	Valuation Differenc e on Available -for-sale Securities	Deferred gains or losses on hedges	Foreign Currency Translati on Adjustme nt	Remeasu rements of Defined Benefit Plans	Total Accumul ated Other Compreh ensive Income			
Balance at beginning of current period	741	-0	731	132	1,604	812	297	56,475
Changes of items during period								
Dividends of surplus								-2,508
Profit (loss) attributable to owners of parent								-4,759
Purchase of treasury shares								-2,530
Disposal of treasury shares								435
Change in scope of equity method								1,180
Net changes of items other than shareholders' equity	195	3	-337	-78	-216	-737	95	-858
Total changes of items during period	195	3	-337	-78	-216	-737	95	-9,040
Balance at end of current period	937	2	393	53	1,387	75	392	47,435

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.

## (FOR REFERENCE PURPOSE)

## Balance Sheet (as of March 31, 2025)

(unit: million yen)

Accounting Item	Amount	Accounting Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>[Current assets]</b>	<b>[49,665]</b>	<b>[Current liabilities]</b>	<b>[43,854]</b>
Cash and deposits	10,726	Accounts payable - trade	589
Accounts receivable - trade and contract assets	12,184	Short-term loans payable	23,005
Merchandise and finished goods	2,580	Current portion of long-term loans payable	3,050
Work in process	6,388	Lease obligations	37
Raw materials and supplies	12,799	Accounts payable - other	3,042
Prepaid expenses	421	Accrued expenses	379
Other	4,565	Advances received	329
		Deposits received	178
		Special suspense account for tax purpose reduction entry	11,996
		Provision for bonuses	1,089
		Provision for directors' bonuses	127
		Other	28
<b>[Non-current assets]</b>	<b>[53,848]</b>	<b>[Non-current liabilities]</b>	<b>[13,405]</b>
<b>Property, plant and equipment</b>	<b>(35,545)</b>	Long-term loans payable	12,050
Buildings	12,435	Lease obligations	93
Structures	444	Provision for retirement benefits	978
Machinery and equipment	2,440	Provision for employee shares benefit	120
Vehicles	6	Asset retirement obligations	71
Tools, furniture and fixtures	1,460	Other	92
Land	10,587	<b>Total liabilities</b>	<b>57,260</b>
Leased assets	127	<b>Net Assets</b>	
Construction in progress	8,043	<b>[Shareholders' equity]</b>	<b>[45,238]</b>
<b>Intangible assets</b>	<b>(1,036)</b>	Capital stock	9,061
Software	885	Capital surplus	10,392
Telephone subscription right	5	Legal capital surplus	7,827
Other	145	Other capital surplus	2,565
<b>Investments and other assets</b>	<b>(17,266)</b>	Retained earnings	30,850
Investment securities	9,290	Legal retained earnings	279
Shares of subsidiaries and associates	4,156	Other retained earnings	30,571
Investments in capital	2	General reserve	951
Long-term prepaid expenses	176	Retained earnings brought forward	29,620
Prepaid pension cost	240	Treasury shares	-5,066
Deferred tax assets	3,011	<b>[Valuation and translation adjustments]</b>	<b>[940]</b>
Other	394	Valuation difference on available-for-sale securities	937
Allowance for doubtful accounts	-4	Deferred gains or losses on hedges	2
		<b>[Share acquisition rights]</b>	<b>[75]</b>
<b>Total assets</b>	<b>103,514</b>	<b>Total net assets</b>	<b>46,254</b>
		<b>Total liabilities and net assets</b>	<b>103,514</b>

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.

## (FOR REFERENCE PURPOSE)

## Statement of Income (From April 1, 2024 to March 31, 2025)

(unit: million yen)

Accounting Item	Amount	
<b>Net sales</b>		<b>33,071</b>
<b>Cost of sales</b>		<b>11,334</b>
<b>Gross profit</b>		<b>21,737</b>
<b>Selling, general and administrative expenses</b>		<b>28,638</b>
<b>Operating income (loss)</b>		<b>-6,900</b>
<b>Non-operating income</b>		
Interest income	84	
Interest on securities	0	
Dividend income	34	
Commission income	36	
Other	77	233
<b>Non-operating expenses</b>		
Interest expenses	155	
Commission expenses	61	
Depreciation	191	
Foreign exchange losses	202	
Loss on valuation of stocks of subsidiaries and affiliates	276	
Other	15	902
<b>Ordinary income (loss)</b>		<b>-7,569</b>
<b>Extraordinary income</b>		
Gain on reversal of share acquisition rights	393	
Gain on cancellation of contracts	627	
Gain on sale of non-current assets	0	
Other	22	1,043
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	2	2
<b>Profit (loss) before income taxes</b>		<b>-6,528</b>
Income taxes - current	-11	
Income taxes - deferred	-1,771	-1,782
<b>Profit (loss)</b>		<b>-4,746</b>

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.

## (FOR REFERENCE PURPOSE)

## Statements of Changes in Equity (From April 1, 2024 to March 31, 2025)

(unit: million yen)

	Capital Stock	Shareholders' equity		
		Legal Capital Surplus	Capital Surplus Other Capital Surplus	Total Capital Surpluses
Balance at beginning of current period	9,061	7,827	2,556	10,384
Changes of items during period				
Dividends of surplus				
Profit (loss)				
Purchase of treasury shares				
Disposal of treasury shares			8	8
Net changes of items other than shareholders' equity				
Total changes of items during period	—	—	8	8
Balance at end of current period	9,061	7,827	2,565	10,392

	Shareholders' Equity					
	Retained earnings				Treasury Shares	Total Shareholders' Equity
	Legal Retained Earnings	Other retained earnings		Total Other Retained Earnings		
		General Reserve	Retained Earnings Brought Forward			
Balance at beginning of current period	279	951	36,875	38,105	-2,963	54,587
Changes of items during period						
Dividends of surplus			-2,508	-2,508		-2,508
Profit (loss)			-4,746	-4,746		-4,746
Purchase of treasury shares					-2,530	-2,530
Disposal of treasury shares					426	435
Net changes of items other than shareholders' equity						
Total changes of items during period	—	—	-7,254	-7,254	-2,103	-9,349
Balance at end of current period	279	951	29,620	30,850	-5,066	45,238

	Valuation and Translation Adjustments			Share acquisition rights	Total Net Assets
	Valuation Difference on Available-for-sale Securities	Deferred gains or losses on hedges	Total Valuation and Translation Adjustments		
Balance at beginning of current period	741	-0	740	812	56,141
Changes of items during period					
Dividends of surplus					-2,508
Profit (loss)					-4,746
Purchase of treasury shares					-2,530
Disposal of treasury shares					435
Net changes of items other than shareholders' equity	195	3	199	-737	-537
Total changes of items during period	195	3	199	-737	-9,887
Balance at end of current period	937	2	940	75	46,254

(Note) Amounts of less than one million yen are rounded down to the nearest million yen.