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Securities code: 4891

May 13, 2025

(Start date of measures for electronic provision: May 2, 2025)

To our shareholders:

Takuro Wakabayashi, Chief Executive
Officer
TMS Co., Ltd.
1-9, Fuchu-cho, Fuchu-shi, Tokyo, Japan

Notice of the 21st Annual General Meeting of Shareholders

You are cordially invited to attend the 21st Annual General Meeting of Shareholders of TMS Co., Ltd. (“the Company”), which will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information such as reference documents for the general meeting of shareholders (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on each of the websites listed below. Please access one of the websites to review the information.

[The Company’s website]

<https://www.tms-japan.co.jp/ja/ir/stock/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/4891/teiji/> (in Japanese)

[Tokyo Stock Exchange website (Listed Company Search)]

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

(Access the TSE website by using the internet address shown above, enter “TMS Co., Ltd.” in “Issue name (company name)” or the Company’s securities code “4891” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). If you choose to do so, please review the Reference Documents for the General Meeting of Shareholders as described below, and exercise your voting rights by 5:30 p.m. on Wednesday, May 28, 2025 (JST).

The proceedings of the meeting will be streamed live over the Internet. For the details including how to view the streaming, please refer to the pages 5 and after (in Japanese only).

- 1. Date and Time:** Thursday, May 29, 2025, at 10:00 a.m. (JST)
(Reception desk will be open from 9:30 a.m.)
- 2. Venue:** “Kaede No Ma,” 2F, Main Building, Hotel Continental Fuchu
1-5-1, Fuchu-cho, Fuchu-shi, Tokyo, Japan
- 3. Purpose of the Meeting**
Matters to be reported:
Business report and the non-consolidated financial statements for the 21st fiscal year (from March 1, 2024 to February 28, 2025)
- Matters to be resolved:**
- | | |
|-----------------------|---|
| Proposal No. 1 | Amendment to the Articles of Incorporation |
| Proposal No. 2 | Reduction of Share Capital and Capital Surplus and Appropriation of Surplus |
| Proposal No. 3 | Election of Six Board Members |
| Proposal No. 4 | Election of Four Audit & Supervisory Board Members |
- If you choose to attend the meeting in person, please submit the Voting Rights Exercise Form, which is sent together with this notice, to the receptionist at the meeting.
 - If revisions to the items subject to measures for electronic provision arise, a statement to that effect, the items before and after the revisions will be posted on each of the above websites.
 - Paper-based documents stating matters subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents. However, those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 15 of the Company’s Articles of Incorporation.
 - (i) “Systems for ensuring proper business activities and operational status of the system” in the business report
 - (ii) “Statement of changes in equity” and “Notes to financial statements” in the non-consolidated financial statements

Accordingly, the business report and the non-consolidated financial statements contained in this document are part of the documents audited by the financial auditor when preparing the accounting audit report and the Audit & Supervisory Board Members when preparing the audit report.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Amendment to the Articles of Incorporation

1. Reasons for proposal

The Company's fiscal year is from March 1 of each year to the last day of February of the following year. However, for the purpose of improving the efficiency of business operations, the Company's fiscal year will be amended from January 1 to December 31 of each year. Accordingly, necessary amendments will be made to Articles 44, 45 and 46 of the current Articles of Incorporation.

In addition, as a transitional measure accompanying the amendment in fiscal year, the Company will newly establish supplementary provisions.

2. Details of the amendment

The details of the amendments are as follows.

(Underlined parts indicate amendments.)	
Current Articles of Incorporation	Proposed amendment
Articles 1 to 43 (Omitted) (Fiscal year)	Articles 1 to 43 (Unchanged) (Fiscal year)
Article 44 The fiscal year of the Company shall be from <u>March 1 of each year to the last day of February of the following year.</u> (Year-end Dividends)	Article 44 The fiscal year of the Company shall be from <u>January 1 to December 31 of each year.</u> (Year-end Dividends)
Article 45 The Company may, by resolution of the General Meeting of Shareholders, pay dividends of surplus in cash ("Year-end Dividends") to the shareholders or registered share pledgees entered or recorded in the final shareholder register as of <u>the last day of February</u> of each year. (Interim Dividends)	Article 45 The Company may, by resolution of the General Meeting of Shareholders, pay dividends of surplus in cash ("Year-end Dividends") to the shareholders or registered share pledgees entered or recorded in the final shareholder register as of <u>December 31</u> of each year. (Interim Dividends)
Article 46 The Company may, by resolution of the Board of Directors, pay dividends of surplus as provided in Article 454, paragraph (5) of the Companies Act ("Interim Dividends") to the shareholders or registered share pledgees entered or recorded in the final shareholder register as of <u>the last day of August</u> each year.	Article 46 The Company may, by resolution of the Board of Directors, pay dividends of surplus as provided in Article 454, paragraph (5) of the Companies Act ("Interim Dividends") to the shareholders or registered share pledgees entered or recorded in the final shareholder register as of <u>June 30</u> each year.
Article 47 (Omitted)	Article 47 (Unchanged)
(Newly established)	<p style="text-align: center;"><u>Supplementary Provisions</u> <u>(Transitional Measures for Changes in Fiscal Year)</u></p> <p><u>Article 1</u></p> <p><u>1. Notwithstanding the provisions of Article 44 (Fiscal Year), the 22nd fiscal year shall be a 10-month period from March 1, 2025 to December 31, 2025.</u></p> <p><u>2. Notwithstanding the provisions of Article 46 (Interim Dividends), the record date for Interim Dividends for the 22nd fiscal year shall be August 31, 2025.</u></p> <p><u>3. These Supplementary Provisions shall be deleted after the end of the 22 fiscal year.</u></p>

Proposal No. 2 Reduction of Share Capital and Capital Surplus and Appropriation of Surplus

The Company has recorded a loss of retained earnings brought forward of 1,404,655,684 yen as of February 28, 2025. Accordingly, for the purpose of eliminating loss carryforwards and reducing the tax burden, the Company proposes to reduce the amount of share capital and capital surplus and transfer them to other capital surplus pursuant to the provisions of Article 447, paragraph (1) of the Companies Act and Article 448, paragraph (1) of the Companies Act, and transfer other capital surplus after the increase to retained earnings brought forward pursuant to the provisions of Article 452 of the Companies Act.

Since this proposal will reduce only the amount of share capital and capital surplus without changing the total number of issued shares, it will not affect the number of shares held by shareholders. In addition, there will be no change to the amount of net assets of the Company, and there will be no change to the amount of net assets per share.

1. Details of the reduction in the amount of share capital

(1) Amount of share capital to be reduced

The amount of share capital will be reduced by 702,327,842 yen and the same amount will be transferred to other capital surplus.

(2) Effective date of the reduction in the amount of share capital

It is scheduled for July 15, 2025.

2. Details of the reduction in the amount of capital surplus

(1) Amount of capital surplus to be reduced

The amount of capital surplus will be reduced by 702,327,842 yen and the same amount will be transferred to other capital surplus.

(2) Effective date of the reduction in the amount of capital surplus

It is scheduled for July 15, 2025.

3. Details of appropriation of surplus

The other capital surplus will be transferred to retained earnings brought forward to cover the loss, subject to the effectuation of the aforementioned reduction in the amount of capital surplus and retained earnings brought forward as described below. As a result, the amount of retained earnings brought forward after the transfer will be 0 yen.

(1) Items of surplus to be reduced and the amount thereof

Other capital surplus 1,404,655,684 yen

(2) Items of surplus to be increased and the amount thereof

Retained earnings brought forward 1,404,655,684 yen

(3) Effective date of the appropriation of surplus

July 15, 2025

Proposal No. 3 Election of Six Board Members

The terms of office of all six Board Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of six Board Members, including two outside Board Members.

The candidates for Board Member are as follows:

Candidate No.	Name Date of birth	Career summary, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takuro Wakabayashi (February 26, 1967)	Apr. 1989 Joined Recruit Co., Ltd. Apr. 2001 Representative Director of Advanced Science and Technology Enterprise Corporation Nov. 2005 Partner of Xseed Partners, LLP May 2011 Representative Director of the Company Sept. 2015 Representative Director of BioMedCore, Inc. May 2018 Chief Executive Officer, Board Member of the Company (current position) Responsibilities in the Company In charge of business development	6,900
		[Reasons for the nomination] Takuro Wakabayashi has a wealth of knowledge and experience in the managerial, legal and financial aspects of biotechnology companies, and as a Representative Director of the Company, played a central role in negotiating an option agreement with Biogen and the amendment agreement with CORXEL. Since his appointment as Chief Executive Officer in May 2018, he has led the Company through completion of TMS-007 Ph2a, multiple private financing rounds, and successful IPO. He has demonstrated his capability to appreciate the Company's value through his tenure as CEO to this day, and he is expected to continue to do so. The Company has decided to nominate him again as a candidate for a Board Member upon determining that he will contribute to the Company's growth and increase its value going forward.	
2	Keiji Hasumi (September 13, 1957)	Apr. 2003 Professor at Tokyo University of Agriculture and Technology June 2005 Board Member of the Company May 2011 Chief Executive Officer, Board Member May 2018 Board Member July 2021 Chief Scientific Officer, Board Member (current position) Apr. 2023 Professor Emeritus at Tokyo University of Agriculture and Technology (current position) Responsibilities in the Company In charge of research	804,000
		[Reasons for the nomination] Keiji Hasumi is a founding scientist of the Company with extensive knowledge as a researcher and has played a central role in the Company's drug discovery research, including the discovery of SMTP compounds and development of TMS-007. The Company has decided to nominate him again as a candidate for a Board Member upon determining that he will contribute in both research and development fields going forward including the development of TMS-008.	

Candidate No.	Name Date of birth	Career summary, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
3	Go Ito (May 1, 1970)	Apr. 1993 Joined Nippon Steel Corporation Nov. 1995 Joined Misawa Business Management Inc. Apr. 2000 Joined Scientia Corporation (currently, OneHR Co., Ltd.) Nov. 2006 Director of Administration Feb. 2018 Joined the Company as Manager of Administration May 2018 Chief Financial Officer, Board Member (current position) Responsibilities in the Company In charge of administration	10,000
[Reasons for the nomination] Go Ito has a wealth of knowledge and experience in corporate operations and finance in venture businesses, and since his appointment as a Board Member of the Company in May 2018, he has made the best use of his experience to direct the Company's administrative divisions. The Company has decided to nominate him again as a candidate for a Board Member upon determining that he will contribute to the enhancement of the corporate value and growth of the Company going forward.			
4 *	Naohisa Yokota (March 5, 1960)	Apr. 1986 Joined Funai Pharmaceutical Co., Ltd. (currently, Sanofi K.K.) Jan. 1989 Research Assistant of the Department of Pharmaceutical Analysis, Faculty of Pharmacy, Meijo University Mar. 1990 Joined Ciba-Geigy Japan Limited (currently, Novartis Pharma K.K.) Jan. 1998 Head of Clinical Pharmacology, Clinical Development and Pharmaceutical Affairs Department Dec. 2000 Joined Quintiles Inc. Regional Director of Japan and Korea, Business Development Department, Clinical Development Division Apr. 2001 Joined Mundipharma K.K. Head of Development Division Sept. 2006 Joined Sanofi-Aventis K.K. (currently, Sanofi K.K.) Deputy Head of Development Division Nov. 2010 Corporate Officer and Head of Pharmaceutical Development Dec. 2013 Corporate Officer and Head of Asia Pacific Development Nov. 2017 Corporate Officer and Head of Research and Development Division Apr. 2019 Corporate Officer, Head of Research and Development Division, and Head of Development (concurrent) Nov. 2024 Joined the Company as Senior Director of R&D Department (current position)	—
[Reasons for the nomination] Naohisa Yokota has played a leading role for many years in the research and development field at the Japanese subsidiaries of global pharmaceutical companies. He has extensive experience and a high level of expertise in clinical drug development, collaboration with research institutions, and communication with regulatory authorities. He has been involved for many years in planning and executing research and development strategies with a view not only to Japan but also to the Asian and global markets. The Company has decided to newly nominate him as a candidate for a Board Member because he is expected to demonstrate leadership in promoting the development of our pipeline and creating new drug discovery seeds, thereby contributing to the enhancement of corporate value.			

Candidate No.	Name Date of birth	Career summary, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
5	Ken Takanashi (May 23, 1964)	<p>Apr. 1987 Joined Mitsubishi Corporation</p> <p>Dec. 1996 SUASA KRISTAL(M) BERHAD</p> <p>Nov. 1998 Executive Vice President</p> <p>Dec. 2002 Director of Shin Nippon Biomedical Laboratories, Ltd. (SNBL)</p> <p>Apr. 2004 Executive Officer Registered as a U.S. Certified Public Accountant</p> <p>June 2004 Senior Managing Director of Shin Nippon Biomedical Laboratories, Ltd. SNBL</p> <p>July 2012 Director of WAVE Life Sciences Ltd. (current position)</p> <p>Apr. 2015 Board Member of PPD-SNBL K.K.</p> <p>June 2016 Audit & Supervisory Board Member (current position) Director of Satsuma Pharmaceuticals, Inc. (current position)</p> <p>July 2016 Executive Vice President of Shin Nippon Biomedical Laboratories, Ltd. (SNBL)</p> <p>June 2017 Executive Vice President and Representative Director (current position)</p> <p>Mar. 2020 Board Member of the Company (current position)</p> <p>Significant concurrent positions outside the Company Executive Vice President and Representative Director of Shin Nippon Biomedical Laboratories, Ltd. (SNBL)</p>	—
<p>[Reasons for the nomination as a candidate for outside Board Member and outline of the expected roles]</p> <p>Ken Takanashi has extensive experience in corporate management in the field of life science and has contributed to strengthening the Company's corporate governance by utilizing his knowledge. As a member of the Compensation Committee, he has actively given his opinions at committee meetings and contributed to the committee's deliberations. In the expectation that he continues to contribute to the Company's management by utilizing his wealth of knowledge, the Company has decided to nominate him again as a candidate for an outside Board Member.</p>			

Candidate No.	Name Date of birth	Career summary, and position and responsibility in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
6	Reiko Namikawa (September 15, 1953)	<p>Mar. 1979 MD</p> <p>June 1984 Assistant Professor of Aichi Medical University</p> <p>Oct. 1988 Senior Scientist of Systemix Inc.</p> <p>Apr. 1993 Senior Research Associate of DNAX Research Institute</p> <p>Apr. 1997 Independent business development consultant</p> <p>Sept. 2002 Executive Director, Science & Medicine of Clearview Projects, Inc.</p> <p>Nov. 2005 Independent consultant: non-clinical and clinical development strategies and business development (current position)</p> <p>Mar. 2007 Senior Vice President, Research and Strategy of REGiMMUNE Corporation</p> <p>Aug. 2014 Board Member of NapaJen Pharma, Inc.</p> <p>Nov. 2017 Board Member of Promethera Biosciences</p> <p>May 2021 Board Member of the Company (current position)</p> <p>June 2022 Executive Vice President, Clinical Development of REGiMMUNE Limited (current position)</p> <p>Dec. 2023 Venture Partner of Mitsui & Co. Global Investment, Inc. (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Executive Vice President, Clinical Development of REGiMMUNE Limited</p>	—
<p>[Reasons for the nomination as a candidate for outside Board Member and outline of the expected roles]</p> <p>Reiko Namikawa, MD. Ph.D. has a wealth of knowledge in non-clinical and clinical development and business development, including overseas activities. As an independent outside Board Member, she has provided advice on the Company's management and business operations, mainly from a perspective of her field of expertise. Also, as a member of the Compensation Committee, she has actively given her opinions at committee meetings and contributed to the committee's deliberations. In the expectation that she continues to contribute to the Company's management by utilizing her knowledge from an independent standpoint, the Company has decided to nominate her again as a candidate for an outside Board Member.</p>			

- Notes:
1. New candidate for Board Member is indicated by an asterisk (*).
 2. Ken Takanashi is Executive Vice President and Representative Director of Shin Nippon Biomedical Laboratories, Ltd. (SNBL), a shareholder of the Company (shareholding of about 3.6% as of February 28, 2025). There is a business relationship between SNBL and the Company involving contracted services.
 3. There is no special interest between any other candidates and the Company.
 4. Ken Takanashi and Reiko Namikawa are candidates for outside Board Member.
 5. Ken Takanashi and Reiko Namikawa are currently outside Board Members of the Company, and at the conclusion of this meeting, their tenure will have been five years and two months for Mr. Takanashi and four years for Ms. Namikawa respectively.
 6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Ken Takanashi and Reiko Namikawa to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under such agreements is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, and if their reelection is approved, the Company will plan to renew such agreements with both of them.
 7. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. The liability insurance policy covers losses that the insured person, including a Board Member of the Company, would incur (such as payment of compensation and litigation expenses) as a result of a claim for damages made against the insured during the insurance period due to an act committed by the insured in his/her official capacity. However, certain exclusions apply, such as no coverage for damages caused by an illegal act that is willfully committed by the insured. If each candidate is

elected and assumes the office as a Board Member, he/she will be the insured under the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

8. The Company has submitted notification to Tokyo Stock Exchange that Reiko Namikawa has been designated as an independent officer as provided for by the aforementioned exchange. If she is reelected, the Company plans for her designation as an independent officer to continue.

Proposal No. 4 Election of Four Audit & Supervisory Board Members

The terms of office of all four Audit & Supervisory Board Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of four Audit & Supervisory Board Members.

The approval of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name Date of birth	Career summary and position in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
1	Nobuaki Kobayashi (October 30, 1954)	<p>Apr. 1978 Joined The Sanwa Bank, Limited (currently, MUFG Bank, Ltd.)</p> <p>Apr. 1997 General Manager of Tachikawa Branch</p> <p>Apr. 2002 General Manager of Shibuya Branch and Sales Manager of Shibuya Corporate Sales Department</p> <p>Apr. 2004 General Manager of Muromachi Branch Office</p> <p>Oct. 2006 Managing Executive Officer and General Manager of Development Division of NATIONAL STUDENTS INFORMATION CENTER CO., LTD.</p> <p>June 2008 Joined AEON Bank, Ltd. General Manager of Sales Planning Department</p> <p>Nov. 2009 Executive Officer and General Manager of Corporate Sales Department</p> <p>Apr. 2014 Executive Officer and General Manager of Legal Compliance Department</p> <p>Apr. 2015 Executive Officer and General Manager of Audit Department</p> <p>Oct. 2015 Seconded to AEON Financial Service Co., Ltd. General Manager of Overseas Business Division</p> <p>Nov. 2015 Director of AEON Financial Service (Hong Kong) Co., Ltd.</p> <p>Sept. 2016 Corporate Auditor of AEON Reit Management Co., Ltd.</p> <p>May 2017 Corporate Auditor of Maxvalu Tokai Co., Ltd. Full-time Corporate Auditor of Aeon Pet Co., Ltd.</p> <p>May 2021 Full-time Audit & Supervisory Board Member of the Company (current position)</p>	—
<p>[Reasons for the nomination as a candidate for outside Audit & Supervisory Board Member]</p> <p>Nobuaki Kobayashi will contribute to the improvement of the Company's governance by strengthening the function of checking the soundness of management and financial aspects from an independent standpoint as an outside Audit & Supervisory Board Member, based on his professional perspective cultivated through his work experience at financial institutions in his field of expertise. Therefore, the Company requests his reelection.</p>			

Candidate No.	Name Date of birth	Career summary and position in the Company Significant concurrent positions outside the Company		Number of the Company's shares owned
2	Kazuo Honda (September 19, 1949)	Apr. 1974	Joined Mitsubishi Chemical Industries Limited (currently, Mitsubishi Chemical Corporation)	—
		Aug. 1979	Joined Yamanouchi Pharmaceutical Co., Ltd. (currently, Astellas Pharma Inc.)	
		Aug. 1997	General Manager of Pharmacology Research Institute	
		June 1999	General Manager of International Development Department	
		Aug. 2003	Director and Deputy General Manager of Reliability Assurance Division	
		Apr. 2004	Professor of School of Pharmacy, Showa University	
		Apr. 2015	Joined the Company as General Manager of R&D Department	
		May 2015	Board Member	
		May 2017	Full-time Audit & Supervisory Board Member (current position)	
	[Reasons for the nomination as a candidate for Audit & Supervisory Board Member] Kazuo Honda has a wealth of practical experience in the pharmaceutical industry and possesses knowledge and deep insight specific to the pharmaceutical industry, particularly in areas such as research and development, quality control and pharmaceutical regulations. The Company believes that he will contribute to strengthening the Company's management monitoring function and compliance system as an Audit & Supervisory Board Member, utilizing his experience and knowledge. Therefore, the Company requests his reelection.			
3	Kenichi Nakamura (July 9, 1975)	Oct. 2002	Joined ChuoAoyama Audit Corporation (MISUZU Audit Corporation)	10,000
		Apr. 2006	Registered as a Certified Public Accountant	
		Aug. 2007	Joined Shin Nihon & Co. (currently, Ernst & Young ShinNihon LLC)	
		July 2009	Founded Kenichi Nakamura CPA & TAX Office (current position)	
		Sept. 2010	Registered as a Certified Public Tax Accountant	
		May 2013	Audit & Supervisory Board Member of the Company (current position)	
		June 2024	Audit and Supervisory Board Member of HOCHIKI CORPORATION (current position)	
	Significant concurrent positions outside the Company Representative of Kenichi Nakamura CPA & TAX Office			
[Reasons for the nomination as a candidate for outside Audit & Supervisory Board Member] Kenichi Nakamura has a high level of expertise and extensive practical experience as a certified public accountant. The Company believes that he is suitable for the position of Audit & Supervisory Board Member of the Company from his professional viewpoint in accounting and finance. Although he has not been directly involved in management other than as an outside officer in the past, the Company believes that he will audit the execution of duties by Board Members from an independent standpoint as an outside Audit & Supervisory Board Member and contribute to strengthening the governance system of the Company. Therefore, the Company requests his reelection				

Candidate No.	Name Date of birth	Career summary and position in the Company Significant concurrent positions outside the Company	Number of the Company's shares owned
4	Hiroyuki Hasegawa (August 13, 1976)	<p>Oct. 2001 Registered as an attorney at law (Tokyo Bar Association) Joined Nagashima Ohno & Tsunematsu</p> <p>Apr. 2011 Joined the Secretariat of the Securities and Exchange Surveillance Commission</p> <p>Feb. 2013 Joined KATAOKA & KOBAYASHI LPC</p> <p>Jan. 2014 Partner (current position)</p> <p>Mar. 2016 Corporate Auditor of SIOS Technology, Inc. (currently, SIOS Corporation)</p> <p>Mar. 2017 Director and Member of the Audit and Supervisory Committee (current position)</p> <p>May 2019 Audit & Supervisory Board Member of the Company (current position)</p> <p>Significant concurrent positions outside the Company Partner of KATAOKA & KOBAYASHI LPC</p>	—
<p>[Reasons for the nomination as a candidate for outside Audit & Supervisory Board Member]</p> <p>Hiroyuki Hasegawa has a high level of expertise and extensive practical experience as an attorney at law. The Company believes that he is suitable for the position of Audit & Supervisory Board Member of the Company from his professional viewpoint in law and compliance. Although he has not been directly involved in management other than as an outside officer in the past, the Company believes that he will objectively and rigorously audit the execution of duties by Board Members as an outside Audit & Supervisory Board Member and contribute to strengthening corporate governance at the Company. Therefore, the Company requests his reelection.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Nobuaki Kobayashi, Kenichi Nakamura and Hiroyuki Hasegawa are candidates for outside Audit & Supervisory Board Member.
 3. Nobuaki Kobayashi, Kenichi Nakamura and Hiroyuki Hasegawa are currently outside Audit & Supervisory Board Members of the Company, and at the conclusion of this meeting, their tenure will have been four years for Mr. Kobayashi, 12 years for Mr. Nakamura and six years for Mr. Hasegawa respectively.
 4. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with each of the Audit & Supervisory Board Members to limit their liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under such agreements is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, and if their reelection is approved, the Company will plan to renew such agreements with them.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. The liability insurance policy covers losses that the insured person, including an Audit & Supervisory Board Member of the Company, would incur (such as payment of compensation and litigation expenses) as a result of a claim for damages made against the insured during the insurance period due to an act committed by the insured in his/her official capacity. However, certain exclusions apply, such as no coverage for damages caused by an illegal act that is willfully committed by the insured. If each candidate is elected and assumes the office as an Audit & Supervisory Board Member, he/she will be the insured under the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
 6. The Company has submitted notification to Tokyo Stock Exchange that Nobuaki Kobayashi, Kenichi Nakamura and Hiroyuki Hasegawa have been designated as independent officers as provided for by the aforementioned exchange. If they are reelected, the Company plans for their designation as an independent officer to continue.