

Message from the Chairman



**SHIGENOBU
MAEKAWA**

Representative Director, Chairman

S. Maekawa

Leading the effective operation of the Board of Directors and fostering a healthy corporate culture in pursuit of sustainable growth

The Nippon Shinyaku Group has achieved growth by providing distinctive, high-quality products, such as innovative new drugs and functional foods that deliver new value, under a business philosophy of “Helping People Lead Healthier, Happier Lives.”

We recognize that ensuring management transparency and fulfilling accountability to all stakeholders are among our most important tasks for achieving sustainable growth as a company that is trusted by society.

Pharmaceutical companies are facing ever more demanding circumstances amid recent development, including the increasing sophistication of research and development driven by the advancement of drug discovery technology, and the progress of digital technology. We are proactively carrying out our business under these circumstances by viewing these changes as opportunities for growth rather than threats.

Our 7th Five-Year Medium-Term Management Plan launched during FY2024 was thoroughly discussed and formulated by our Board of Directors to guide the Company beyond the patent cliff for Upravi—a tentpole for the Company for the last decade—and achieve sustainable growth. Even now, during the plan’s implementation phase, the Board of Directors not only continues to receive regular reports on its progress, but also fulfills the crucial role of supporting its steady implementation, for example considering and providing instruction for measures to take when new issues arise.

In FY2024, the Board of Directors concluded an agreement pertaining to managing the progress of pharmaceutical research and development and candidates

to be introduced, and proactively discussed the ideal state of the Company’s business in Europe toward promoting global expansion. The Board also decided to introduce a restricted stock compensation plan for Inside Directors. We will use this to incentivize efforts to continuously enhance corporate value while promoting greater value sharing with our shareholders.

As the chairman of the Board of Directors, I believe my mission is to achieve highly transparent management by ensuring that the Board operates efficiently and effectively and that the Company rigorously discloses the appropriate information. Accordingly, I will take steps to ensure the independence and objectivity of the Board of Directors by reflecting in its management the views of Outside Directors, which are constructive and based on their expertise and experience. Additionally, I will further enhance our corporate governance structure in an endeavor to foster a healthy corporate culture.

To continue meeting the expectations of all stakeholders, I will work to maximize corporate value and make proactive efforts to resolve social issues. I sincerely appreciate your continued understanding and support.

Strengthening governance

Basic Approach to Human Rights

The Nippon Shinyaku Group recognizes that ensuring management transparency and fulfilling accountability to all stakeholders is one of management’s most important tasks in order to raise corporate value through social contributions. The effective functioning of corporate governance is essential for resolving material issues, which include strengthening governance. Based on the Business Philosophy, Management Policy, and Sustainability Policy, etc., Nippon Shinyaku has been striving to improve management transparency and fairness and further enhance the corporate governance system with the aim of achieving sustainable growth and

enhancement of social value as well as corporate value over the medium to long term.

Furthermore, in 2015, the Company formulated its Corporate Governance Basic Policy, which it has reviewed regularly.

In June 2025, we included a “Disclosure Based on the Principles of the Corporate Governance Code” section in our “Corporate Governance Report.” Nippon Shinyaku will continue striving to strengthen corporate governance in order to achieve the sustainable enhancement of corporate value.

WEB ▶ Corporate Governance Basic Policy / Corporate Governance Report
https://www.nippon-shinyaku.co.jp/english/ir/esg_management/governance.php

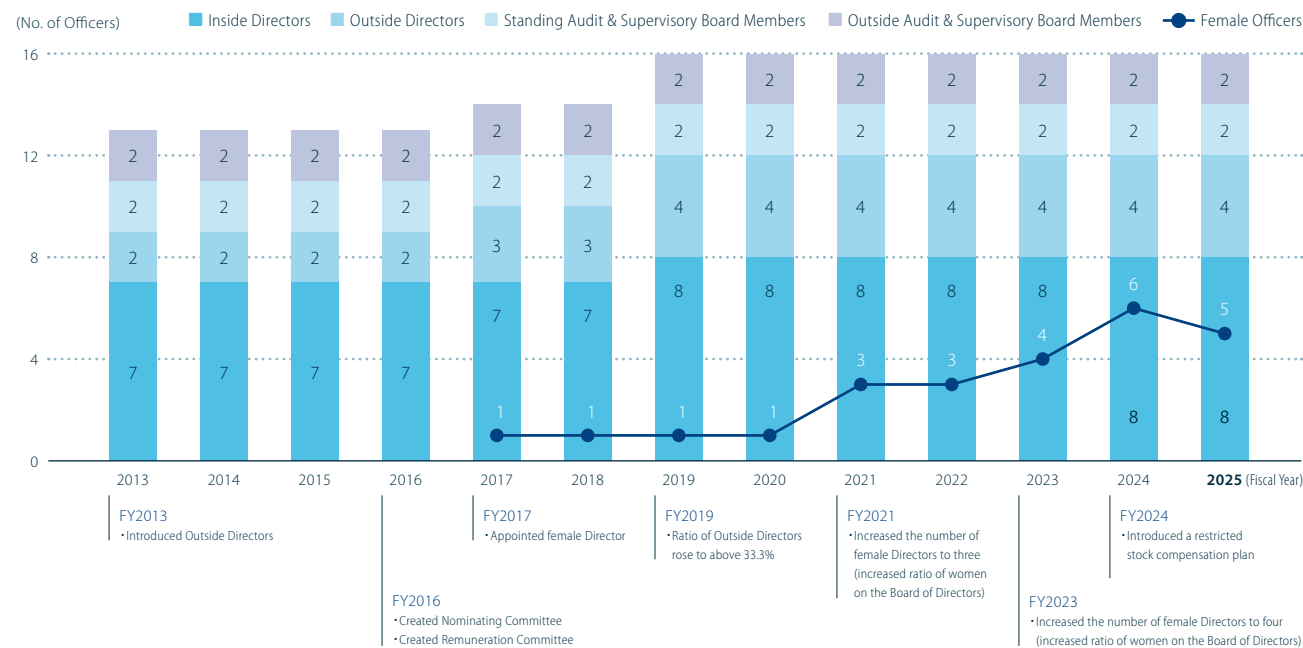
Initiatives for Strengthening Governance

Nippon Shinyaku takes steps to enhance governance, including at Group companies, by ensuring compliance. Going forward, the Company will constantly examine the status of initiatives and make improvements in light of amendments to

laws and regulations, revisions of the Corporate Governance Code, social conditions, and other factors, in order to further increase the effectiveness of corporate governance.

Initiatives for Strengthening Governance

(number of officers is as of conclusion of each year’s Annual General Meeting of Shareholders)



Material issues
and related SDGs



Corporate Governance System

Nippon Shinyaku has adopted the structure of a Company with an Audit & Supervisory Board as its corporate governance system. The Board of Directors is composed of twelve Directors, four of whom are Outside Directors, and the Audit & Supervisory Board is composed of four Members, two of whom are Outside Members.

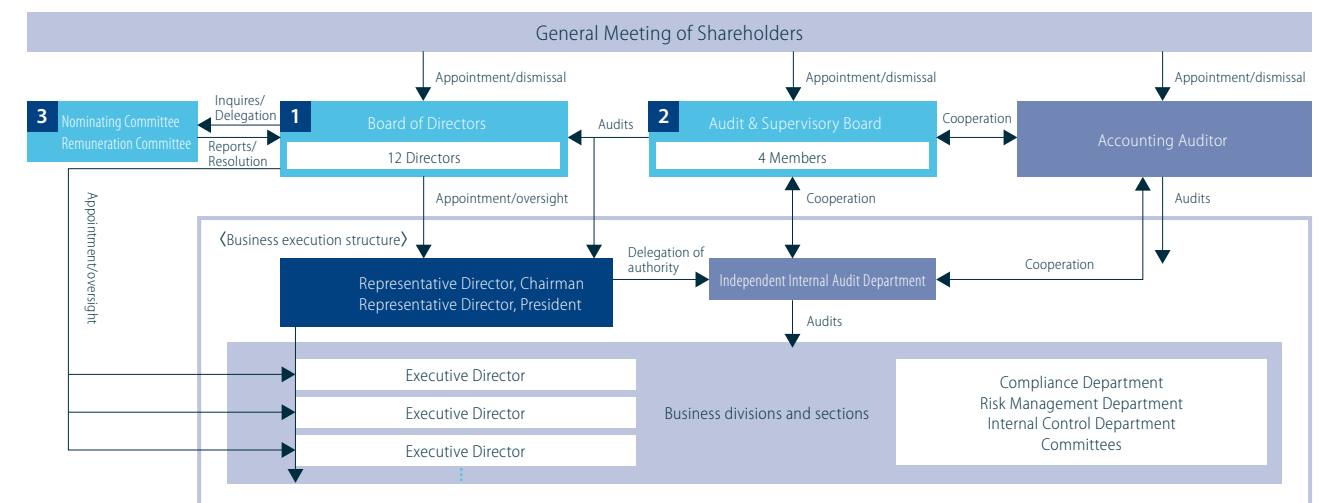
To clarify management responsibility and establish the optimal management system in response to changes in the business environment in a flexible manner, the term of office of the Directors is one year. The four Outside Directors conduct oversight of the Directors’ execution of duties for further enhancing the transparency and objectivity of management.

Furthermore, the Audit & Supervisory Board Members attend all Board of Directors’ meetings and other important meetings on business to accomplish the management oversight function of the Audit & Supervisory Board.

For meetings of the Board of Directors and the Audit & Supervisory Board, materials on the resolutions and reports are distributed in advance to Outside Directors and Outside Audit & Supervisory Board members. For important resolution items, we also provide time for prior explanation. This approach helps streamline in-meeting explanations and ensures sufficient discussion time for enhancing Board effectiveness.

Organization for corporate governance (as of June 27, 2025)

Headed by the Company’s Chairman and consisting of 12 members including four Outside Directors, the Board of Directors holds a meeting once a month in principle and resolves and reports on material business matters.

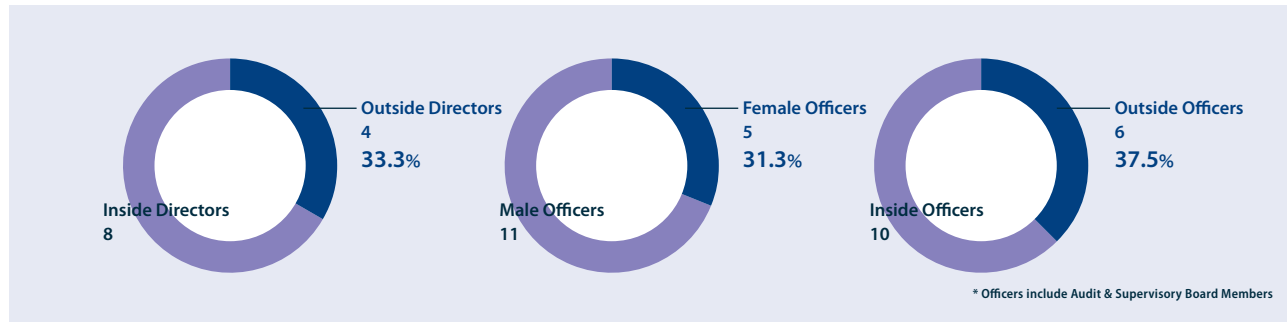


	1 Board of Directors	2 Audit & Supervisory Board	3 Nominating Committee and Remuneration Committee
Attendees	All Directors and Audit & Supervisory Board Members	All Audit & Supervisory Board Members	Yoshinao Wada (Outside Director) Yukari Kobayashi (Outside Director) Shigenobu Maekawa (Representative Director, Chairman)
Role	- Performing the oversight function for management in general and ensuring fairness and transparency of management - Determining policies governing the appointment and dismissal of Directors and Audit & Supervisory Board Members - Evaluating serious risks and formulating countermeasures - Making decisions, such as the execution of important business operations	- Playing a role in corporate oversight in coordination with the Board of Directors - Supervising the execution of duties by the Board of Directors and working to establish the corporate governance system - Actively expressing opinions based on their own specialized knowledge and vast experience	Nominating Committee - Deliberating on matters related to the appointment and dismissal of Directors and Audit & Supervisory Board Members and reporting to the Board of Directors Remuneration Committee - Deliberating on proposals for the General Meeting of Shareholders related to remuneration of Directors and Audit & Supervisory Board Members and basic policies governing remuneration for Directors, and reporting to the Board of Directors - Deliberating and making decisions on the details of remuneration for individual Directors based on the responsibility delegated by the Board of Directors
Meetings held in FY2024	15 (13 regular meetings, 2 extraordinary meeting)	24	4 (Nominating Committee: 1; Remuneration Committee: 3)

Inside Directors
 Outside Directors
 Standing Audit & Supervisory Board Members
 Outside Audit & Supervisory Board Members
 Chairperson

Strengthening governance

Composition of Board of Directors



Status of Operations of the Board of Directors

In addition to the resolutions provided for by laws and regulations, the Articles of Incorporation, and the Rules of the Board of Directors, meetings of the Board of Directors also focus on strategic discussions of basic management policies.

In FY2024, the Board of Directors continued engaging in lively discussions aimed at achieving the sustainable growth of the Company, with a focus on matters relating to important business, matters relating to financial results, and matters relating to organization and personnel. For matters relating to important business, the Board of Directors held discussions focused primarily on whether to proceed to clinical trial phases for products developed in-house and in-licensed products and decisions on capital investments. For matters relating to financial results, the Board of Directors set aside sufficient time on the agenda for the quarterly financial reports, which are important for implementing management strategy, and engaged in in-depth discussions and deliberations as a whole to deepen their understanding. Other topics discussed included decisions on whether to conclude contracts for in-licensed products, as well as the adoption of a restricted stock compensation plan for Directors (excluding Outside Directors).

Main topics of deliberation

Category	Number of discussions
Matters relating to the General Meeting of Shareholders	3
Matters relating to the directors	9
Matters relating to the Nominating Committee	2
Matters relating to the Remuneration Committee	4
Matters relating to financial results	12
Matters relating to shares	1
Matters relating to corporate governance	3
Matters relating to organizations and personnel	9
Matters relating to in-licensing and partnerships	5
Matters relating to important business (research and development, capital investment, management, etc.)	20

Topics and content of deliberations by the Board of Directors

Topics	Content
Progress management of pharmaceutical R&D	The Board discussed measures to ensure timely progress of development projects, including an analysis of the causes behind delays in developed products including in-house discovered products.
Concluding of contracts for in-licensing candidates	The Board discussed the key characteristics, clinical data, business potential, and contract terms for several licensing and partnership agreements, including a U.S. marketing alliance and domestic license agreement for ATSN-101, a gene therapy for biallelic GUCY2D mutation-associated inherited retinal dystrophy; and regional partnership agreements (covering the U.S., Japan, and other parts of Asia) for RGX-121, a treatment for mucopolysaccharidosis type II, and RGX-111, a treatment for mucopolysaccharidosis type I.
Global expansion	The Board reviewed the status of global development and monthly progress in global sales, and also discussed the future direction of our business operations in Europe.
Review of agenda items submitted to the Board of Directors	To further enhance the depth and engagement of Board discussions, the Board revised the scope and criteria for agenda items submitted to the Board, with a view to delegating more authority to the executive side.

Skills Matrix of Directors and Audit & Supervisory Board Members

Nippon Shinyaku requires the Directors to possess qualities suitable for leading management in the global expansion of its business. In addition, the Directors should possess experience and knowledge in a wide range of areas, excellent character, high ethical standards, and extensive business-related experience and knowledge.

Also, to ensure consistency with the Company's

management strategy, Nippon Shinyaku has been implementing the "Three key themes" set forth in the 7th Medium-Term Management Plan, along with the initiative "Strengthening five management foundations" that are supporting these themes. Nippon Shinyaku has identified the skills deemed necessary to achieve these objectives and has designated them as disclosure items in its skill matrix.

Correlation between skills and the 7th Medium-Term Management Plan

	Three key themes Strengthening five management foundation	Related skills
Three key themes	Fostering growth drivers to replace Upravi	R&D, Sales/Marketing, Global business
	Expanding global development	Global business, Corporate management/Management strategy, Legal affairs/Risk management, R&D, Sales/Marketing, Production/ Quality, Personnel/HR development
	Continuous pipeline expansion	Research & Development
Strengthening five management foundations	Promoting sustainability management for realizing a sustainable society	ESG/Social contributions, Legal affairs/Risk management
	Speeding up R&D	Personnel/HR development
	Promoting human capital management that allows each employee to grow and diverse human resources to play an active role	Research & Development
	Business process reengineering and productivity improvement by promoting digitalization	IT/Information management
	Financial strategy for sustainable growth	Corporate management/Management strategy, Finance/Accounting

Skills Matrix of Directors and Audit & Supervisory Board Members

Category	Name	Attendance at meetings of Board of Directors/Audit & Supervisory Board		Skills and Experience									
				Corporate management/Management strategy	Global business	Finance/Accounting	Legal affairs/Risk management	Research & Development	Sales/Marketing	Production/Quality	Personnel/HR development	ESG/Social contribution	IT/Information management
Inside Directors	Shigenobu Maekawa	15/15		●	●	●	●					●	●
	Toru Nakai	15/15		●	●	●			●				
	Takashi Takaya	15/15		●			●		●		●	●	●
	Takanori Edamitsu	15/15		●		●	●					●	
	Hitoshi Ishizawa	15/15							●				
	Hitomi Kimura	15/15			●			●		●			
	Kazuyuki Iwata	—						●	●				
Outside Directors	Yoshinao Wada	15/15						●			●		
	Yukari Kobayashi	15/15		●	●	●			●		●		●
	Mayumi Nishi	15/15						●					
	Yohtaro Hongo	—			●	●							
Standing Audit & Supervisory Board Members	Hirotsugu Ito	15/15	24/24						●				
	Eriko Doi	12/12	19/19					●		●			
Outside Audit & Supervisory Board Members	Hiroharu Hara	15/15	24/24			●							
	Mariko Chaki	12/12	19/19				●						

* The above list does not represent all the expertise and experience of the Directors and Audit & Supervisory Board Members



Reasons for Directors' appointments

https://www.nippon-shinyaku.co.jp/english/company_profile/profile/executive_officer/

Outside Directors' Activities

Nominating Committee

The Nominating Committee consists of two Outside Directors and one Inside Director and is chaired by an Outside Director. Candidates for Directors are selected in accordance with the Corporate Governance Basic Policy, which states that the Directors of the Company shall have excellent personality, insight, management sense, ability, and abundant experience, and shall maintain good mental and physical health with high ethical standards.

Also, to ensure that the Board of Directors has a comprehensive understanding of the Company as a whole and is able to make appropriate decisions, consideration is given to the diversity of the Board's composition. The Candidates for Directors are approved by the Board of Directors based on recommendations from the Nominating Committee. The Nominating Committee met once in FY2024 to deliberate on matters related to the selection of Directors.

Remuneration Committee

The Remuneration Committee consists of two Outside Directors and one Inside Director and is chaired by an Outside Director. Remuneration of Directors is set within the total remuneration amount approved by the General Meeting of Shareholders. It shall

effectively serve as an incentive for Directors to seek the sustainable enhancement of corporate value and its details shall be fair and rational enough to fulfill its accountability to stakeholders. Remuneration consists of three components: fixed monthly base remuneration, performance-linked remuneration (bonuses) determined based on the results of each fiscal year, and non-monetary remuneration (stock-based remuneration) as a medium- to long-term incentive. Individual remuneration amounts are determined based on deliberations by the Remuneration Committee, under delegation from the Board of Directors. In FY2024, three meetings were held, during which the Remuneration Committee discussed matters including the adoption of a restricted stock compensation plan for Directors (excluding Outside Directors) and the individual remuneration amounts for each Director.

Composition of each committee

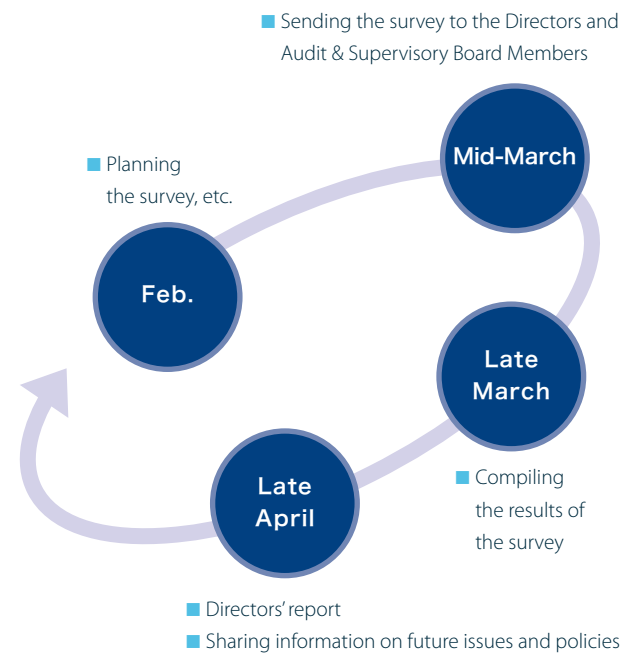
Committee name	No. of members	No. of Inside Directors	No. of Outside Directors	Chairperson
Nominating Committee	3	1	2	Outside Directors
Remuneration Committee	3	1	2	Outside Directors

Evaluation of Effectiveness of the Board of Directors

Initiatives to enhance effectiveness of the Board of Directors

Once each year, Nippon Shinyaku evaluates the Board of Directors at a Board of Directors meeting in an effort to bring about improvements that will enhance its effectiveness. In order to analyze and evaluate the overall effectiveness of the Board of Directors, in FY2024, the Company implemented a self-evaluation survey for all Directors and Audit & Supervisory Board Members. As a result, it was able to confirm that within the Board of Directors, each executive Director and Outside Director continued to actively express their views, that open-minded and constructive discussions were pursued from a wide perspective, and that appropriate judgment was being performed by the management. Therefore, it was determined that the overall effectiveness of the Board of Directors was properly maintained. Based on the results of this analysis and evaluation, the Board of Directors will focus on further invigorating and enhancing discussions and will continue to ensure and improve the effectiveness of the Board of Directors moving forward.

Analytical and evaluation process



The survey consisted of a self-evaluation based on the following 17 questions in 6 broad categories using a scale of 1 (Not established/Dissatisfied) to 5 (Established/Satisfied). In FY2024, the overall evaluation was a score of 4.7, which was 0.1 higher than the prior year, indicating that respondents were generally satisfied.

Survey items

[1] Board of Directors composition
(members, skills matrix, Outside Directors)

[4] Personal evaluation
(initiative, contributions, prior consideration status)

[2] Board of Directors agenda items, etc.
(agenda items, reports, and their content and scope)

[5] Status of improvement
(improvement of content of materials, making deliberations and the content of reports more concise)

[3] Board of Director operations
(timing of materials distribution, comprehensiveness of necessary data, volume of materials, meeting frequency, length of deliberations, incorporation of Outside Directors' opinions, wide-ranging discussion)

[6] Overall evaluation

Results of Board of Directors evaluation for FY2024

Issues identified in FY2023	Issue 1 More robust discussion of medium- and long-term issues	Issue 2 Discussions on ongoing revisions of the scope and criteria of agenda items	Issue 3 Improvement of advance distribution of Board meeting materials
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Initiatives in FY2024	- To ensure sufficient time for discussions on important topics, the time allocated to explanations during Board of Directors meetings, particularly for reporting items, was shortened or omitted. - For important resolution items, prior explanations were provided to Outside Directors, Audit & Supervisory Board members, and any Inside Directors who wished to attend, to ensure more substantive discussions. - Throughout the year, the number of agenda items and the time required for each were analyzed, and the scope and the approach to the criteria for items submitted to the Board were reviewed. - As in previous years, Board materials were consistently distributed a set number of days in advance of each meeting.
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Future direction	Given that a number of opinions were expressed in favor of devoting more attention to discussion of important matters, the Company will continue reviewing the scope and criteria for items submitted to the Board of Directors and further increase time for discussions on medium- to long-term issues
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Issues identified in FY2024	While the effectiveness of the Board of Directors is generally ensured, to continue ensuring and enhancing its effectiveness, the Company will address the following issues in FY2025.		
	Issue 1 Review of the items submitted to the Board of Directors	Issue 2 Further streamlining of explanations on agenda items	Issue 3 Encouraging more proactive remarks by Directors from a management perspective



Strengthening governance

Officers' Remuneration System

Basic Policy

Our basic policy regarding the remuneration of Directors is that it shall effectively serve as an incentive for Directors to seek the sustainable enhancement of corporate value and that the details surrounding it shall be fair and rational enough to fulfill its accountability to shareholders and employees. The adequate level of each individual Director's remuneration shall be determined by taking into account the responsibilities of their respective positions.

Structure of remuneration

Until FY2023, Directors' remuneration consisted of monthly remuneration and Directors' bonuses, and in FY2024, we adopted a restricted stock compensation plan to add an incentive for Directors to seek the sustainable enhancement of corporate value and to promote greater sharing of value with shareholders.

Directors

Basic remuneration (fixed remuneration): Determined by evaluating the performance of each Director in addition to the fixed amount corresponding to their position, which has been pre-determined by taking into account a comprehensive range of information, including survey data from external institutions and levels of remuneration for their counterparts at competitors.

Performance-linked remuneration (bonuses): Monetary remuneration reflecting performance indicators paid to raise awareness toward improving business performance for each period. Bonus amounts are determined by considering the performance evaluation for each Director and calculating the amount based on the consolidated operating income for each period.

Non-monetary remuneration (shares remuneration): The number of shares granted is determined from an amount calculated in accordance with consolidated operating income in each business year, taking also into account each Director's performance evaluation, etc.

Outside Directors and Audit & Supervisory Board Members

Remuneration of Outside Directors and Audit & Supervisory Board Members comprises fixed remuneration only.

Remuneration-related governance

Remuneration for individual Directors is determined through deliberations by the Remuneration Committee as entrusted by the Board of Directors within the limit of the amount of executive remuneration approved by resolution of the General Meeting of Shareholders.

Total remuneration for each officer category Subtotals for each type of remuneration and numbers of recipients

Officers category	Total remuneration (millions of yen)	Subtotals for each type of remuneration (millions of yen)			Number of recipient
		Basic remuneration	Performance-linked remuneration		
			Bonuses	Restricted stock	
Directors (excluding Outside Directors)	442	215	136	90	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	34	34	—	—	3
Outside Officers	60	60	—	—	7

Succession plan

Development of leadership candidates

Nippon Shinyaku recognizes that it is important to train successors from various perspectives based on the future vision of the Company. We run HONKI Juku selective training programs which are classified into Leader, Management, and Executive according to the position and number of years at the Company of trainees.

The Leader program targets the younger group aged 25-35 to quickly uncover and pick out leadership candidates. The Management program provides lectures on management

basics and middle management for executives aged 36-45 to acquire the perspective of a department manager. The Executive program aims for acquisition of practical management knowledge to train the next generation of management candidates. In FY2024, 23 people participated in the three levels of the HONKI Juku (the second class). The target is for 115 employees to participate in the program over 5 years. These efforts enable us to constantly secure motivated and outstanding human resources as we strive to develop and acquire the human resources that will lead the Company in the future.

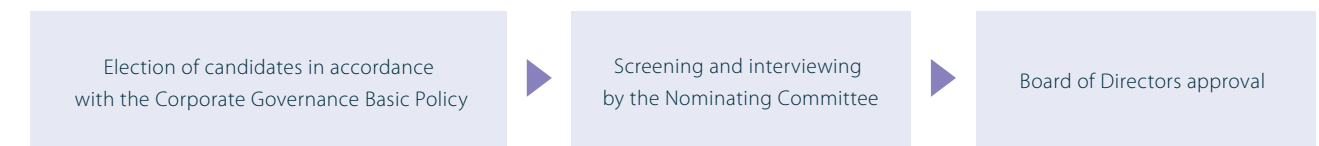
Succession plan

A candidate for President shall be nominated in accordance with the Corporate Governance Basic Policy, which states, "The Directors of the Company shall have excellent personality, insight, management sense, ability, and abundant experience, and shall maintain good mental and physical health with high ethical standards. The Company shall bear consideration on diversity in the members of the Board of Directors in order that the members can gain a comprehensive understanding of the Company as a whole and make appropriate judgments as members of the Board of Directors." The candidate shall be approved by the Board of Directors after screening by the Nominating Committee, which consists of two Outside Directors and one Inside Director and is

chaired by an Outside Director.

Training for officers

Nippon Shinyaku holds training and debriefing sessions attended by all Directors, in order to convey information on legal responsibilities, corporate governance, etc., and to share information on the important operations performed by each division. Audit & Supervisory Board Members can also attend these sessions. In addition, when new Directors and new Audit & Supervisory Board Members assume office, Nippon Shinyaku holds in-house training sessions for newly appointed officers and provides necessary training opportunities.



Internal Control System

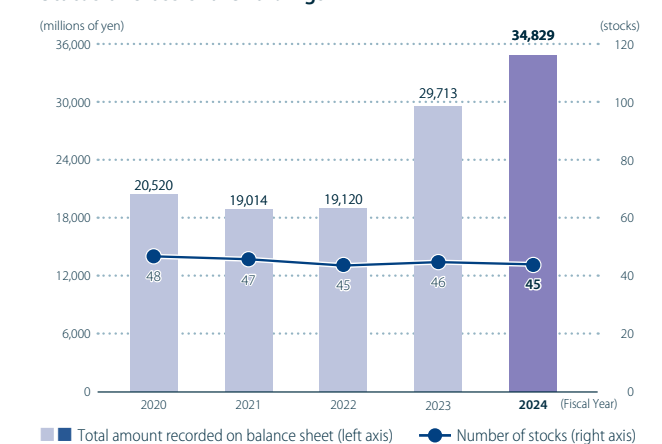
Pursuant to the Japanese Companies Act, we have resolved a basic policy on the establishment of an internal control system through our Board of Directors, establishing a framework to ensure the appropriateness of business operations by ensuring regulatory compliance and raising business effectiveness and efficiency. Moreover, we comply with the internal control

reporting requirements applied from fiscal 2008 under the Financial Instruments and Exchange Act, and operate under a framework we have developed for ensuring proper financial reporting. The status of internal controls related to financial reporting is evaluated by the Internal Audit Department, which reports directly to the Chairman.

Cross-shareholding Status

The Board of Directors will examine the strategic rationale and economic rationale for holding each individual cross-shareholding, and will gradually reduce holdings deemed to have limited significance, taking into account factors such as funding needs and market conditions. Regarding the exercise of voting rights pertaining to cross-shareholdings, we will judge the situation on whether it contributes to improving the corporate value of the Company and the issuing company, and will respond appropriately. In FY2024, the Company sold all shares of one stock and part of the shares of another, for total proceeds of ¥704 million. Also, to strengthen the partnership with Capricor Therapeutics Inc., with which the Company has a marketing alliance agreement for CAP-1002, the Company made an additional equity investment. The balance sheet carrying amount of stock holdings also increased due to the rise in stock prices.

Status of cross-shareholdings



Compliance and Risk Management

Basic Approach to Compliance and Compliance Framework

Guided by its management philosophy of “Helping People Lead Healthier, Happier Lives,” the Nippon Shinyaku Group places great importance not only on compliance with laws and regulations, but also on acting with integrity based on a strong sense of ethics. We recognize that trust of society is built through the accumulation of small, daily actions, and that a single mistake could cause that trust to be lost in an instant. As members of a company engaged in life-related businesses, we will continue to practice compliance while valuing the concept of “Patient Centricity,” placing patients at the center of all we do, in order to further strengthen the trust that we have built to date.

WEB ▶ <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/governance/compliance.php#anchor01>

Compliance Implementation and Awareness Initiatives

In order to spread and raise compliance awareness, the Compliance Management Department plans and proposes compliance implementation and awareness initiatives based on advice from the Compliance Council, which is composed of the heads of related departments. Initiative plans and their implementation status are reported to and deliberated by the Risk & Compliance Committee, chaired by the President and comprising all Inside Directors as members. Awareness-raising initiatives include Code of Conduct training for new employees,

Compliance Framework Chart



year-round compliance department training for all employees, follow-up reviews through e-learning, and publication of the “Risk & Compliance Bulletin” on the Company’s intranet. These efforts ensure that the entire Group implements compliance. In addition, the Group conducts an annual “Compliance Awareness Survey” for all employees. Survey results are shared across the Group, and follow-up is provided to departments where risks are identified in an effort to prevent compliance risks from materializing.

Internal Reporting System

To promptly identify legal violations and other misconduct and to minimize risks arising from such violations, the Nippon Shinyaku Group has established the “Hotline” internal reporting desk both inside and outside the Company. This desk is available to Group employees (including temporary staff, contract company employees, and former employees within one year of resignation) as well as officers and employees of business partners. Reports and consultations can be made via a dedicated phone line or email, and may be submitted anonymously. Whistleblowers are

protected through necessary measures such as confidentiality obligations, and efforts are made to ensure proper operation of the system so that no disadvantage is incurred as a result of making a report. The contact information for the “Hotline” is posted on in-house posters and included in the emergency contact app on employees’ mobile phones as part of ongoing efforts to ensure thorough awareness of and improve accessibility to the internal reporting system. In FY2024, there were 29 reports and consultations, all of which were handled appropriately.

Material issues
and related SDGs

Strengthening governance

Basic Approach to Risk Management and Risk Management Framework

The Nippon Shinyaku Group has established Basic Risk Management Rules and promotes risk management (RM). Identified risks are broken down into major, medium, and minor categories, and then rated as high, medium, or low risk in terms of importance using a 2-axis (impact and probability) risk matrix. Subsequently, the responsible departments take the lead in preparing preventive measures and countermeasures using a risk management sheet. Each year, the Group further selects highly critical risk topics and works to reinforce preventive measures by establishing an action plan for the year.

The results of initiatives during the fiscal year, as well as important risk themes for the following fiscal year, are reported to and deliberated by the Risk & Compliance Committee, chaired by the President. The Board of Directors receives reports on these matters and supervises RM by reviewing the implementation status and effectiveness of RM initiatives.

In FY2024, all employees completed an RM self-check, and the results were used to identify points that should be kept in mind, which were thoroughly covered during in-house training. To further raise risk awareness, RM training was conducted for all employees. In addition, a new incident/accident reporting drill for managers was implemented to confirm initial response procedures in the event of an incident or accident.

WEB ▶ <https://www.nippon-shinyaku.co.jp/english/sustainability/esg/governance/compliance.php>

Information Security Initiatives

The Nippon Shinyaku Group recognizes the critical importance of information security. Based on the Nippon Shinyaku Group Basic Policy on Information Security and the Information Security Management Regulations, the Group has established the ISMS*1 Promotion Committee to advance information security measures across the entire Group.

To respond to the rapidly changing information security environment, the Group established the new IT Infrastructure Security Section within the Information Systems Department in April 2025, creating a framework to respond promptly and appropriately to the latest security threats. Key security enhancement measures to be undertaken by the IT Infrastructure Security Section include: building a network architecture based on the concept of zero-trust security to accommodate hybrid work

Risk Management Framework Chart



environments such as telework; implementing global 24/7/365 security monitoring operations in collaboration with an external SOC*2; and establishing a rapid-response framework through a CSIRT*3 to prepare for potential security incidents.

As part of measures against human risk, the Group conducts training and awareness programs for employees to ensure thorough understanding of the importance of information security. In particular, as part of countermeasures against targeted email attacks, employees are randomly selected to undergo unannounced drills to improve their ability to respond to suspicious emails.

*1 ISMS: Information Security Management System

*2 SOC: Security Operation Center

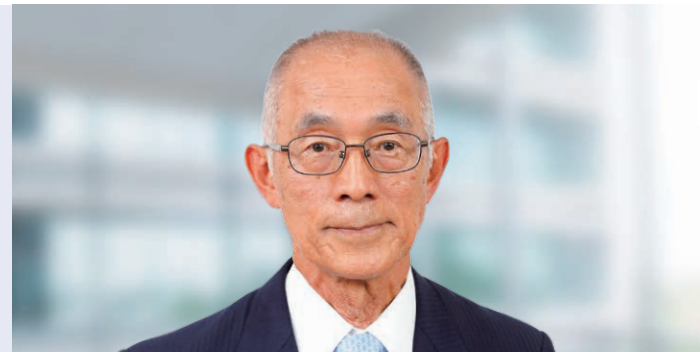
*3 CSIRT: Computer Security Incident Response Team

Messages from Outside Directors

Toward a New Stage of Global Growth Beyond the Patent Cliff

Yoshinao Wada

Outside Directors



To overcome the patent cliff and achieve sustainable growth, Nippon Shinyaku has laid out a clear growth strategy in its 7th Medium-Term Management Plan. Within the Board of Directors, we have identified the challenges to realizing this plan, placing particular emphasis on the impact that delays in R&D can have on the business value of development-stage drugs. In response, we have implemented concrete measures such as accelerating phase transitions, enhancing information sharing across departments, and strengthening progress monitoring. In my own capacity, I have attended in-house development meetings as an observer, drawing on insights gained from my ongoing work in medical research and clinical practice in internal medicine. I have also actively engaged in interviews with operational staff, directly sensing their awareness of front-line challenges and motivation, and sharing my own perspectives with them. While the development of new drugs takes more than 15 years, I believe that

the continuous accumulation of such PDCA cycles will lead to medium- to long-term growth.

During this plan period, capital allocation is projected to be about 1.5 times that of the 6th Medium-Term Management Plan, and over the past year in particular, the Company has been active in in-licensing products from other companies to expand its pipeline. As a result, our global business, which is centered on U.S. subsidiary NS Pharma, has evolved to a new stage, and our early-stage growth strategies are steadily being implemented.

I encourage all stakeholders to watch closely as Nippon Shinyaku takes flight under the slogan "For Global Growth Beyond the Cliff."

Diverse Talent and a Culture that Encourages Challenge as the Driving Force for Further Growth

Yukari Kobayashi

Outside Directors



Nippon Shinyaku has been steadily strengthening its governance structure through the effective operation of the Board of Directors and by increasing the transparency of its decision-making processes. In particular, I highly value the fact that the Company is fostering a corporate culture in which management listens sincerely to the opinions of Outside Directors and engages in repeated dialogue to improve the quality of management. At the same time, accelerating R&D in the field of rare and intractable diseases and enhancing responsiveness to the global market are important challenges from both the perspectives of social significance and sustainable growth.

In my career to date, I have engaged in initiatives to improve cross-border management quality and drive corporate transformation, drawing on experiences such as launching new businesses, managing cross-departmental projects at global companies, and running my own company. Using these

experiences, I intend to support the steady execution of the 7th Medium-Term Management Plan and the flexible review of strategies in response to environmental changes.

From a human resources perspective, while the professionalism and integrity of its employees are among Nippon Shinyaku's strengths, I believe that for further growth it will be increasingly important to embrace diversity, manage in ways that make use of differing values, and support career development beyond conventional boundaries. I am committed to helping foster a culture in which employees across the organization can learn from one another and take on new challenges for supporting the discovery and development of the next generation of human resources.

As an Outside Director, I will continue to contribute to the enhancement of corporate value through frank and constructive recommendations.

Utilizing Pharmaceutical Expertise to Support Sustainable Growth

Mayumi Nishi

Outside Directors



Recently, with the advancement of corporate governance reforms, the role of Outside Directors has been drawing increasing attention. Now in my third year as an Outside Director of Nippon Shinyaku, I am once again keenly aware of the weight of this responsibility. Promoting corporate governance is directly linked to competitiveness, sustainable growth, and the enhancement of corporate value, and requires working earnestly with management to address key management challenges.

After graduating from the Faculty of Pharmaceutical Sciences, I worked at a cancer research institute, then re-enrolled in medical school, gaining clinical experience before engaging in basic research. Utilizing my knowledge and experience in both pharmaceutical sciences and medicine, as well as my professional network, I strive to provide high-value-added recommendations from an independent standpoint, particularly in the field of research and development.

The development of new drugs always entails significant risk, and medium- to long-term strategies demand highly sophisticated decision-making. Achieving sustainable growth requires advancing both in-house drug discovery and external in-licensing in a well-balanced manner. At the same time, I hope that, as a Kyoto-based pharmaceutical company, Nippon Shinyaku will continue to create innovations originating from within the Company, maintaining pride in its heritage.

Although the business environment is undergoing major changes, Nippon Shinyaku continues to make tireless efforts as a global healthcare company from Kyoto, striving to deliver hope to patients and their families around the world. I, too, will continue to contribute as an Outside Director with a strong sense of commitment and responsibility.

Supporting the Realization of Business Strategies with a Focus on Growth Acceleration and Dialogue with Capital Markets

Yohtaro Hongo

Outside Directors



Among pharmaceutical companies of Nippon Shinyaku's scale, those that can consistently conduct in-house drug discovery and development with a view to the global market are extremely rare worldwide. I strongly believe that further developing this unique strength over the medium to long term will be the source of the Company's sustainable growth.

I have worked in healthcare investment banking for more than 25 years, supporting the growth strategies of numerous companies through M&A advisory and capital raising. Utilizing this experience, I will actively provide advice and support to help Nippon Shinyaku overcome the patent cliff of Upravi and achieve its next leap forward.

To achieve the goals of the 7th Medium-Term Management Plan, it is essential to invest in R&D and overseas expansion with a keen eye on balancing risk and return, while gaining the trust of shareholders and investors in these initiatives. I will help ensure

that the governance structure is in place and functioning so that management can make these difficult decisions of investing strategically without hesitation while avoiding excessive risk, both appropriately and in a timely manner. Also, at a time when upfront investment is expected to cause a temporary decrease in profits, it is critically important to communicate the purpose and details of such investments accurately to shareholders and investors. I will support the Company's strategic communications and contribute to building a framework that ensures shareholders and investors receive the information that they need accurately and promptly.

Management Team

(Current as of June 27, 2025)

Inside Director



Shigenobu Maekawa
Representative Director,
Chairman

Number of shares of the Company held
59,017

Apr. 1976 Joined the Company
Mar. 1992 Transfer to Japan Federation of Employers' Associations
Apr. 2002 Department Manager, Corporate Planning Department,
Corporate Strategy Office
Apr. 2004 Corporate Officer
Jun. 2005 Director
Jun. 2005 Corporate Planning, Finance & Accounting, and
Information Systems, and Department Manager,
Corporate Planning Department
Jun. 2006 Managing Director
Apr. 2007 General Manager, Corporate Planning,
Finance & Accounting, and Information Systems
Jun. 2007 Representative Director, President
Jun. 2021 Representative Director, Chairman (current position)
Jun. 2022 Chairman of Kyoto Employers' Association (current
position)
Jun. 2023 Outside Director of KYOCERA Corporation (current
position)
<Significant concurrent positions>
Chairman, Kyoto Employers' Association
Outside Director, KYOCERA Corporation



Toru Nakai
Representative Director,
President

Number of shares of the Company held
17,487

Apr. 1995 Joined the Company
Apr. 2016 Department Manager, Business Planning
Department
Apr. 2018 Acting General Manager, Corporate Planning (NS
Pharma, Inc.)
Apr. 2019 General Manager, Global Business Division, Attached
to Global Business Division (NS Pharma, Inc.)
Jun. 2019 Director
Jun. 2019 General Manager, Global Business; Head of Global
Business Division
Jun. 2021 Representative Director, President (current position)



Takashi Takaya
Director, Personnel, General Affairs,
Risk Management, Compliance &
Digital Transformation

Number of shares of the Company held
8,082

Apr. 1984 Joined the Company
Apr. 2005 Department Manager, Marketing Department, Sales
and Marketing
Apr. 2009 Department Manager, Marketing Department, Sales
and Marketing Planning Division, Sales and Marketing
Apr. 2010 Department Manager, Marketing and Planning
Department, Sales and Marketing Planning Division,
Sales and Marketing
Apr. 2011 Head of Sales and Marketing Planning Division,
Sales and Marketing
Apr. 2012 Corporate Officer; Head of Sales and Marketing
Planning Division, Sales and Marketing
Jun. 2018 Director (current position)
Jun. 2018 General Manager, Administration
Apr. 2022 General Manager, Personnel, General Affairs, Risk
Management, Compliance & Digital Transformation
(current position)



Takanori Edamitsu
Director, Business Management
& Sustainability

Number of shares of the Company held
7,914

Apr. 1989 Joined the Company
Aug. 2011 Department Manager, Corporate Planning
Department
Apr. 2013 Corporate Officer; Department Manager, Corporate
Planning Department
Jun. 2018 Director (current position)
Jun. 2018 General Manager, Business Management
Apr. 2022 General Manager, Business Management &
Sustainability (current position)



Hitoshi Ishizawa
Director, Functional Food

Number of shares of the Company held
8,214

Apr. 1985 Joined the Company
Apr. 2013 Department Manager, Kita-Kanto Branch Office,
Northern Japan Division, Sales and Marketing
Apr. 2014 Department Manager, Chugoku Branch Office,
Western Japan Division, Sales and Marketing
Apr. 2015 Department Manager, Tokyo Branch Office, Eastern
Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Osaka Branch Office, Sales and
Marketing
Apr. 2018 Corporate Officer; Department Manager, Osaka
Branch Office, Sales and Marketing
Apr. 2021 Corporate Officer; Department Manager, Kansai
Branch Office, Sales and Marketing
Jun. 2021 Director (current position)
Jun. 2021 General Manager, Functional Food, Head of
Functional Food Division (current position)



Hitomi Kimura
Director, Resource Procurement,
Production & Assurance

Number of shares of the Company held
4,582

Apr. 1984 Joined the Company
Apr. 2015 Department Manager, Regulatory Affairs
Department, Regulatory Affairs, Safety Management
and Quality Assurance Division
Apr. 2020 Head of Regulatory Affairs, Safety Management and
Quality Assurance Division (Marketing Supervisor-
General)
Apr. 2021 Corporate Officer; Head of Regulatory Affairs, Safety
Management and Quality Assurance Division
(Marketing Supervisor-General)
Jun. 2021 Director (current position)
Jun. 2021 General Manager, Resource Procurement,
Production & Assurance (current position)



Kazuyuki Iwata
Director, Sales and Marketing

Number of shares of the Company held
3,000

Apr. 1990 Joined the Company
Apr. 2015 Department Manager, Chiba Branch Office, Eastern
Japan Division, Sales and Marketing
Apr. 2016 Department Manager, Yokohama Branch Office,
Eastern Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Primary Care Products
Promotion Department, Sales and Marketing
Planning Division, Sales and Marketing
Apr. 2019 Department Manager, Pharmaceutical Information
of Urology Department, Sales and Marketing
Planning Division, Sales and Marketing
Apr. 2021 Department Manager, Kanetsu Branch Office, Sales
and Marketing
Apr. 2022 Department Manager, Nagoya Branch Office, Sales
and Marketing
Apr. 2023 Corporate Officer; Department Manager, Nagoya
Branch Office, Sales and Marketing
Jun. 2025 Director (current position)
General Manager, Sales and Marketing; Head of Sales
and Marketing Division (current position)



Keiichi Kuwano
Director,
Research & Development

Number of shares of the Company held
700

Apr. 1993 Joined the Company
Apr. 2016 Department Manager, R&D Administration
Department, R&D Administration
Division, Research & Development
Jun. 2021 Department Manager, Discovery Research Labs,
Research & Development
Apr. 2022 Corporate Officer, Department Manager, Discovery
Research Labs, Research & Development
Jun. 2025 Director (current position)
General Manager, Research & Development; Head of
Research & Development Division (current position)

About Nippon Shinyaku

Value Creation Story

Value Creation Initiatives

Governance

Corporate Data

For the reasons for the appointment of Directors and Audit & Supervisory Board Members, please visit the following website:

WEB ▶ https://www.nippon-shinyaku.co.jp/english/company_profile/profile/executive_officer/index.php

Outside Directors



Yoshinao Wada
Outside Directors

Number of shares of the Company held
500

Jul. 1975 Joined Osaka University Hospital
Nov. 1981 Department of Maternal Medicine, Osaka Medical Center for
Maternal and Child Health
Oct. 1989 Obtained the degree of Doctor of Medicine (Osaka University)
Apr. 1991 Department Manager, Department of Molecular Medicine,
Research Institute, Osaka Medical Center for Maternal and
Child Health
Apr. 1995 Visiting Professor, Osaka University
Apr. 1998 Director, Research Institute, Osaka Medical Center for
Maternal and Child Health
Apr. 2011 Department Manager, Department of Maternal Medicine;
Director, Research Institute, Osaka Medical Center for
Maternal and Child Health
Apr. 2014 Chief Department Manager, Department of Maternal
Medicine; Director, Research Institute, Osaka Medical Center
for Maternal and Child Health
Apr. 2016 Part-time physician, Department of Maternal Medicine,
Osaka Medical Center for Maternal and Child Health
Apr. 2017 Part-time physician, Department of Maternal Medicine,
Osaka Women's and Children's Hospital (current position)
Apr. 2018 Visiting Professor, Yokohama City University
Jun. 2019 Director, the Company (current position)
<Significant concurrent positions>
Part-time physician, Department of Maternal Medicine, Osaka Women's
and Children's Hospital



Yukari Kobayashi
Outside Directors

Number of shares of the Company held
500

Apr. 1987 Joined IBM Japan, Ltd.
Jul. 2002 Senior Manager, Overall Management of System Products
Marketing, IBM Japan, Ltd.
Jan. 2007 Director in charge of Public Sector, Global Business Service,
IBM Japan, Ltd.
Jan. 2007 Executive Officer, IBM Business Consulting Services KK
Mar. 2016 Growth Leader for Mercer Far East Zone; Chief of staff,
Mercer Japan Ltd.
Jan. 2018 Director, Mercer Investment Solutions Ltd.
Feb. 2018 COO, Mercer Japan Ltd.
Sep. 2018 Corporate Officer; Corporate Strategy Management Lead,
Area Transformation Lead, and Chief of Staff, Microsoft Japan
Co., Ltd.
Mar. 2020 Representative Partner, Amanda Life Consulting LLC.
(current position)
Jun. 2021 Director, the Company (current position)
Apr. 2022 Outside Director, Panasonic Connect Co., Ltd.
Mar. 2023 Outside Director, Audit Committee Member, Bridgestone
Corporation (current position)
Jun. 2023 CEO, JC1 LLC (current position)
<Significant concurrent positions>
Representative Partner, Amanda Life Consulting LLC.
Outside Director, Audit Committee Member, Bridgestone Corporation
CEO, JC1 LLC



Mayumi Nishi
Outside Directors

Number of shares of the Company held
400

Apr. 1980 Joined Department of Biology, Aichi Cancer Center Research
Institute
Apr. 1980 Obtained pharmacist license
Apr. 1991 Joined Department of Anesthesiology, Kyoto Prefectural
University of Medicine
May 1991 Obtained medical license
Mar. 1997 Obtained the degree of Doctor of Medicine (Kyoto
Prefectural University of Medicine)
Apr. 1997 Teaching Associate, Department of Anatomy I, Kyoto
Prefectural University of Medicine
Jun. 1998 Lecturer, Department of Anatomy I, Kyoto Prefectural
University of Medicine
Apr. 2003 Lecturer, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Apr. 2005 Assistant Professor, Department of Anatomy and
Neurobiology, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Apr. 2007 Associate Professor, Department of Anatomy and
Neurobiology, Graduate School of Medical Science, Kyoto
Prefectural University of Medicine
Aug. 2009 Professor, Department of Anatomy and Cell Biology, Nara
Medical University
Apr. 2010 Visiting Professor, Graduate School of Medical Science,
Kyoto Prefectural University of Medicine
Apr. 2023 Professor Emeritus, Nara Medical University (current position)
Jun. 2023 Director, the Company (current position)



Yohtaro Hongo
Outside Directors

Number of shares of the Company held
1,000

Apr. 1990 Joined The Sanwa Bank, Ltd.
May 1995 Received MBA from The Wharton School, University of
Pennsylvania
Aug. 1999 Joined Investment Banking Division, JPMorgan Securities
Japan Co., Ltd.
May 2008 Managing Director, JPMorgan Securities Japan Co., Ltd.
Jan. 2023 Vice Chairman, Investment Banking Division, JPMorgan
Securities Japan Co., Ltd.
May 2025 Resigned from JPMorgan Securities Japan Co., Ltd.
Jun. 2025 Director, the Company (current position)

Audit & Supervisory Board Members



Hirotsugu Ito
Standing Audit &
Supervisory Board Members

Number of shares of the Company held
2,800

Apr. 1986 Joined the Company
Apr. 2015 Department Manager, Keiji Hokuriku Branch Office, Western
Japan Division, Sales and Marketing
Apr. 2017 Department Manager, Kyushu Branch Office, Sales and
Marketing
Apr. 2019 Department Manager, Chushikoku Branch Office, Sales and
Marketing
Apr. 2021 Department Manager, Nagoya Branch Office, Sales and
Marketing
Apr. 2022 Department Manager, Information Service Supervisory
Department
Jun. 2023 Standing Audit & Supervisory Board Member (current
position)



Eriko Doi
Standing Audit &
Supervisory Board Members

Number of shares of the Company held
100

Apr. 1984 Joined the Company
Apr. 2007 Manager, Planning and Coordination Section, R&D
Administration Department, Research & Development
Planning Center, Research & Development
Apr. 2008 Manager, Planning and Coordination Section, R&D
Administration Department, Research & Development
Planning Division, Research & Development
Apr. 2016 Department Manager, Safety Management Department,
Regulatory Affairs, Safety Management and Quality
Assurance Division
Apr. 2018 Department Manager, Safety Management Department,
Regulatory Affairs, Safety Management and Quality
Assurance Division (safety manager)
Jun. 2024 Standing Audit & Supervisory Board Member (current
position)



Hiroharu Hara
Outside Audit &
Supervisory Board Members

Number of shares of the Company held
400

Apr. 1983 Joined Osaka Regional Taxation Bureau
Jul. 2012 District Director, Shingu Tax Office, Osaka Regional Taxation
Bureau
Jul. 2015 Director, Second International Information Div., First
Examination Dept., Osaka Regional Taxation Bureau
Jul. 2016 District Director, Nishi Tax Office, Osaka Regional Taxation
Bureau
Jul. 2017 Director, Research Management Div., First Examination Dept.,
Osaka Regional Taxation Bureau
Jul. 2019 Deputy Assistant Regional Commissioner, Second
Examination Dept., Osaka Regional Taxation Bureau
Jul. 2020 District Director, Kita Tax Office, Osaka Regional Taxation Bureau
Jul. 2021 Retired from Kita Tax Office, Osaka Regional Taxation Bureau
Aug. 2021 Registered as Licensed Tax Accountant
Jun. 2023 President, Hiroharu Hara Tax Accountant office (current
position)
Jun. 2023 Outside Audit & Supervisory Board Member (current
position)
<Significant concurrent positions>
President, Hiroharu Hara Tax Accountant office



Mariko Chaki
Outside Audit &
Supervisory Board Members

Number of shares of the Company held
0

Sep. 2002 Completed legal apprenticeship at Legal Training and
Research Institute
Oct. 2002 Registered with Kyoto Bar Association
Oct. 2002 Joined Oike Law Office
Oct. 2006 Partner, Oike Law Office (current position)
Jun. 2024 Outside Audit & Supervisory Board Member (current position)
<Significant concurrent positions>
Partner, Oike Law Office

Corporate Officers

Hayato Wada
Department Manager,
Kansai Business Office

Toru Yamaguchi
Department Manager,
Odawara Central Factory

Masaya Toda
Head of Licensing &
Alliance Division

Yukiteru Sugiyama
NS Pharma, Inc.
President

Kazuyuki Yamate
Head of Digital Transformation
Division

Hideyasu Takechi
Department Manager,
Corporate Planning Department

Mitsuharu Koizumi
Head of Sales and
Marketing Planning Division

Yoko Nakanishi
Department Manager,
Human Resources Department

Yoshizumi Tanaka
Head of Regulatory Affairs
Supervision and Assurance Division

Manabu Beppu
Head of R&D Planning and
Administration Dept.

Katsumi Noda
Department Manager,
Tokyo Business Office

Takeshi Seita
Head of Clinical
Development Division