

13th May 2024

WAKAMOTO PHARMACEUTICAL CO., LTD.
2-2-2, Nihonbashi Honcho, Chuo-ku,
Tokyo, 103-8330, Japan

Subject: Questions and Requests for the Upcoming AGM and Financial Results Briefings

Dear Members of the Board:

Ahead of the AGM and the briefing on financial results of WAKAMOTO PHARMACEUTICAL CO., LTD. ('Wakamoto'), we are delighted to present our preliminary questions for the AGM scheduled for June 27, 2024, along with our requests for the financial results briefing set for May 23 of this year.

1. Question (i) - On the Private Misappropriation Case

Media reports regarding the private misappropriation incident involving the former Chairman and President, Nobuyuki Kamiya, claim the damage amounted to 1,699,120 yen. However, upon confirmation with Wakamoto, we were informed that the figure was actually 4,147,270 yen. Additionally, it has been reported that Wakamoto reduced the remuneration of the President and two full-time Audit & Supervisory Board members, citing "Mr Kamiya's failure to prevent personal misappropriation, resulting in a loss of trust both internally and externally." However, the specifics of this reduction remain unclear.

In light of these events, we request that Wakamoto provide highly transparent information regarding this misconduct. This should include timely disclosures on the website, the investigative report detailing the facts and precise amount of damages, the disciplinary actions taken against those responsible, and measures implemented to prevent such incidents in the future.

Furthermore, we seek a clear explanation as to why the details of this scandal have not been disclosed to date.

2. Question (ii) - Investigation into the Cause of the Suspension of MaQaid Shipments

On 6 April 2023, Wakamoto announced the suspension of shipments of 40 mg MaQaid for Ocular Injection due to non-compliance with the shipment determination test. A subsequent press release on 5 July 2023 indicated that the cause of the contamination with insoluble foreign materials remained unclear, with no further updates on the investigation provided for about 10 months. It was later disclosed on 5 February 2024 that an application, dated 3 August 2023, for approval of a partial amendment concerning an additional manufacturing site was under review by the Ministry of Health, Labour and Welfare.

We request the formation of an independent third-party committee to determine the extent of the damage, identify the causes, assign responsibility, and propose measures to prevent future occurrences. In this context, could you please provide an update on the prospects for resuming shipments and the current status of the investigation into the cause of the insoluble foreign matter contamination? Additionally, please clarify which entity is currently leading this investigation.

3. Question (iii) - Regarding the Publicly Available 'Quality Policy'

According to the Quality Policy dated 13 May 2015 on the website, it states, "We will contribute to society by developing and stably supplying high-quality products with excellent efficacy and safety, which can be used with trust and satisfaction by our customers, in compliance with relevant laws and regulations and internal and external rules. We will constantly strive to collect and provide information in order to improve quality and promote the proper use of our products." However, based on issues highlighted in the previous question (ii), it appears that Wakamoto has not adhered to this policy.

Given that this policy was established nearly nine years ago, could you inform us how frequently it has been reviewed? Additionally, please explain how you monitor compliance with this policy and what actions are taken if non-compliance is identified.

4. Request on the Results Briefing Scheduled for 23 May

We received an email from Nomura Investor Relations Co., Ltd. titled "[INFORMATION ON 23 MAY 2024 WAKAMOTO PHARMACEUTICAL CO., LTD.]" regarding a scheduled results briefing. However, this briefing is not currently mentioned on the website.

In this regard, we would appreciate it if Wakamoto could publicise the results briefing on the website to attract a larger number of participants. Additionally, we request that a recording and transcription of the results briefing, including the Q&A session, be made available on Wakamoto's website.

In addition, on 8 May 2024, Wakamoto requested that certain statements in the shareholder proposal submitted by us be omitted. In response, we informed Wakamoto that we would find it difficult to accept such a request if there was no legal basis for it, and on 10 May 2024, Wakamoto withdrew its request. Given Wakamoto's policy of refusing to meet with us while at the same time attempting to restrict the rights of shareholders in this way unfairly, we cannot help but be concerned that you may be thinking of perverting the content of our shareholder proposals in order to prepare a dissenting opinion. We do not want our shareholder proposals to be misunderstood in this way, as we expect Wakamoto's shareholders' value to increase through discussion of the shareholder proposals.

Against this background, we expect Wakamoto to have a correct understanding of our shareholder proposals in order to have a beneficial discussion at the General Meeting of Shareholders before the Board of Directors decides on its opinion. Therefore, as we have requested in the past, we would very much like you to set up a meeting with President Igarashi and the Board of Directors to exchange views with us on improving shareholders' value before the Board of Directors decides on its opinion on our shareholder proposals.

Kind regards,

Satoru Matsuhashi

Founder CEO at Nanahoshi Management Ltd.