

10th June 2024

Mizuho Financial Group, Inc.
Otemachi Tower, 1-5-5 Otemachi, Chiyoda-ku,
Tokyo 100-8176, Japan

Subject: Concerns of Amakudari from Mizuho Financial Group to Wakamoto and Requests as a Shareholder of Wakamoto

Dear Mr Masahiro Kihara, President & Group CEO:

We are shareholders of WAKAMOTO PHARMACEUTICAL CO. ("Wakamoto"). Mizuho Bank, Ltd. ("Mizuho Bank"), a wholly-owned subsidiary of Mizuho Financial Group, Inc. ("Mizuho FG"), is the 9th largest shareholder of Wakamoto and also serves as its main bank. In the notice for the annual general meeting of Wakamoto, scheduled for 27 June 2024 ("this AGM"), Mr. Yuko Hirai from Mizuho FG is nominated as a candidate for director. A copy of this letter has also been sent to Mr. Katsuhiko Kato, President & CEO of Mizuho Bank.

We have previously expressed our concerns about the management changes at Wakamoto through dialogue and our campaign website, 'Strengthen Wakamoto (4512 JP Equity)'. While we do not oppose the appointment of directors by the main bank in proportion to its shareholding, we are concerned that if all nominated candidates are elected, the representation from Mizuho FG on the Board will be disproportionate. Since June 2017, the representation of individuals from Mizuho FG has exceeded 25%, and this will increase to 30% after this meeting, which is ten times the shareholding of Mizuho Bank in Wakamoto.

The period from President Igarashi's taking office to 7 June 2024 shows that Wakamoto's total shareholder return has lagged 58 percentage points behind the TOPIX, including dividends. Increasing the number of directors from Mizuho FG is unlikely to increase shareholders' value. We are worried that the Board's decision-making will be skewed towards self-interest rather than increasing shareholders' value.

Additionally, President Igarashi has refused to discuss these concerns with us. Given his extensive background in finance and corporate planning, we had high expectations for Mr. Hirai. However, the medium-term management plan he announced lacked focus on cost-of-capital and did not increase shareholders' value. This, along with the persistent influence of ex-bankers from Mizuho

FG, is concerning. We believe that Mr. Hirai's nomination to the Board further undermines shareholders' value.

Requests to Mizuho Financial Group, Inc.

Mizuho FG appears to advocate for capital cost awareness, as highlighted in the financial results briefing on 20 May 2024. However, it is evident that your representatives at Wakamoto lack this awareness and are damaging shareholders' value. We urge you to recommend that these directors and candidates resign or decline their positions. Alternatively, provide appropriate guidance to ensure that management at Wakamoto is aligned with cost-of-capital and shareholders' value primacy.

Requests to Mizuho Bank, Ltd.

This AGM notice reveals that Wakamoto has pledged a substantial amount of cross-shareholdings to one of its correspondent banks, with Mizuho Bank being disclosed as its main lender. It is likely that Mizuho Bank is the beneficiary of this collateral. Given Mizuho FG's policy to reduce cross-shareholdings, we request that Mizuho Bank immediately encourage Wakamoto to release the collateral. This will enable Wakamoto to reduce its cross-shareholdings in compliance with the Corporate Governance Code.

We appreciate your prompt attention and cooperation in this matter.

Kind regards,

Satoru Matsushashi

Founder CEO at Nanahoshi Management Ltd.