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(Securities Code: 3549)

August 3, 2022

To Our Shareholders,

Hironori Aoki, Representative Director and President
KUSURI NO AOKI HOLDINGS CO., LTD.
2512 Matsumotomachi, Hakusan-shi, Ishikawa
Prefecture

Notice of the 24th Annual General Meeting of Shareholders

We are pleased to announce the 24th Annual General Meeting of Shareholders of KUSURI NO AOKI HOLDINGS CO., LTD. (the “Company”), which will be held as indicated below.

From the viewpoint of preventing the spread of COVID-19 infections, you can exercise your voting rights in writing or by using the Internet instead of attending the meeting in person. Please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. on Wednesday, August 17, 2022 (JST).

- 1. Date and Time** Thursday, August 18, 2022, at 10:00 a.m. (JST)
- 2. Venue** Banquet room “TSURUNOMA,” 4th Floor, Hotel Nikko Kanazawa
2-15-1 Honmachi, Kanazawa-shi, Ishikawa Prefecture

3. Purpose

Matters to be reported

1. The 24th term (from May 21, 2021 to May 20, 2022)
Report on the Business Report, the Consolidated Financial Statements, and the Audit Results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. The 24th term (from May 21, 2021 to May 20, 2022)
Report on the Non-consolidated Financial Statements

Matters to be resolved

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| Proposal No. 1 | Amendment to the Articles of Incorporation |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of One Substitute Corporate Auditor |

When attending the meeting in person, please hand in the enclosed voting form at the reception desk at the meeting venue.

- If you exercise your voting rights by proxy, you may appoint one other shareholder with voting rights as a proxy to attend the meeting. Please note that a document verifying the proxy rights of the person representing you must be submitted.
- Of the attached documents to the Notice of the 24th Annual General Meeting of Shareholders, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been posted on the Company’s website on the Internet, in accordance with the provisions of relevant laws and regulations and Article 18 of the Company’s Articles of Incorporation. As a consequence, the relevant documents are not included in the attached documents to the Notice. Therefore, the Consolidated Financial Statements and the Non-consolidated Financial Statements in the documents attached to the Notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Corporate Auditors and the Accounting Auditor when preparing the Corporate Auditors’ Report and the Accounting Auditor’s Report, respectively.
- If there are any amendments to Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, such amendments will be announced on the Company’s website on the Internet.
- The notice of resolutions will not be sent to shareholders; the results of the exercise of voting rights will be announced on the Company’s website after the 24th Annual General Meeting of Shareholders.

The Company’s website (<https://www.kusuri-aoki-hd.co.jp>)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Amendment to the Articles of Incorporation

1. Reasons for the Proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, with the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, the Company proposes to make the following changes to its Articles of Incorporation.

- (1) As the Company is required to stipulate in its Articles of Incorporation that it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format, it proposes to establish the amended Article 18 (Measures, etc. for Providing Information in Electronic Format), paragraph 1.
- (2) In order to enable limiting the scope of items in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents, among the items for which the measures will be taken for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format, to the scope stipulated by the Ministry of Justice Order, the Company also proposes to establish the amended Article 18 (Measures, etc. for Providing Information in Electronic Format), paragraph 2.
- (3) Since the current Article 18 (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) of the Articles of Incorporation will no longer be required upon the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format, it will be deleted.
- (4) Supplementary provisions regarding the effect of the aforementioned establishment and deletion of provisions will be established. These supplementary provisions will be deleted after the specified date elapses.

2. Details of the amendment

Details of the amendment are as follows.

(Underlined portions represent amendments.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u> <u>Article 18</u> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements via the Internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u> (Newly established)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u> <u>Article 18</u> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company is not required to state all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
Article 19 to Article 45 (Provisions omitted)	Article 19 to Article 45 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>(Supplementary Provisions)</u> <u>(Transitional Measures for Measures, etc. for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 1</u></p> <p><u>1. The deletion of Article 18 of the Articles of Incorporation before the amendment (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) and the establishment of Article 18 of the Articles of Incorporation after the amendment (Measures, etc. for Providing Information in Electronic Format) shall become effective as of September 1, 2022.</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 18 of the Articles of Incorporation before the amendment (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date until the last day of February 2023.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 2 Election of Nine Directors

The terms of office of all nine Directors will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of nine Directors.

The candidates for Director 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	Yasutoshi Aoki (January 2, 1949) Attendance at the Board of Directors Meetings 14/14 meetings Reelection	<p>June 1976 Established Aoki Nikaido Yakkyoku, Ltd., and served as Auditor</p> <p>Mar. 1981 Representative Director of Sanwa Yakusho, Ltd.</p> <p>Jan. 1985 Established KUSURI NO AOKI CO., LTD. and served as Representative Senior Managing Director</p> <p>June 1999 Representative Director and Vice President</p> <p>Aug. 2003 Representative Director and President</p> <p>May 2012 Representative Director, President and Chief Executive Officer</p> <p>May 2014 Director and Top Adviser</p> <p>Nov. 2016 Director and Top Adviser of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>–</p>	1,482,500 shares
<p>[Directors and Officers Liability Insurance Contract]</p> <p>The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
2	<p>Hironori Aoki (April 6, 1972)</p> <p>Attendance at the Board of Directors Meetings 14/14 meetings</p> <p>Reelection</p>	<p>Apr. 1996 Joined Otsuka Pharmaceutical Co., Ltd.</p> <p>Feb. 2003 Joined KUSURI NO AOKI CO., LTD.</p> <p>June 2006 General Manager of the Administration Department</p> <p>July 2006 Executive Officer and General Manager of the Administration Department</p> <p>May 2007 Executive Officer and General Manager of the Human Resources and Training Department</p> <p>Nov. 2008 Executive Officer and General Manager of the Dispensing Business Division</p> <p>May 2010 Executive Officer, General Manager of the Sales Division and Head of the Sales Promotion Office</p> <p>June 2010 Representative Director and President of Aoki Nikaido, Ltd.</p> <p>Aug. 2010 Representative Senior Managing Director, General Manager of the Sales Division and Head of the Sales Promotion Office of KUSURI NO AOKI CO., LTD.</p> <p>May 2012 Representative Director, Senior Managing Executive Officer and General Manager of the Sales Division</p> <p>May 2014 Representative Director and President (current position)</p> <p>Nov. 2016 Representative Director, President and Chief Executive Officer of the Company</p> <p>June 2018 Representative Director and President (current position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President of KUSURI NO AOKI CO., LTD.</p>	2,498,836 shares
<p>[Directors and Officers Liability Insurance Contract]</p> <p>The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
3	<p style="text-align: center;">Takanori Aoki (November 28, 1973)</p> <p style="text-align: center;">Attendance at the Board of Directors Meetings 9/9 meetings</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1997 Joined Tokyo Electron Ltd.</p> <p>Apr. 2004 Joined Otsuka Pharmaceutical Co., Ltd.</p> <p>Apr. 2008 Joined KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2008 Executive Officer and General Manager of the IT and Operational Reform Division</p> <p>May 2010 Executive Officer and General Manager of the Merchandise Department</p> <p>May 2012 Senior Managing Executive Officer, Chief General Manager of the Business Administration Department and General Manager of the IT and Logistics Promotion Department</p> <p>May 2012 Director of A2LOGI Ltd. (current position)</p> <p>May 2014 Senior Managing Executive Officer and General Manager of the Store Management Division of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2016 Senior Managing Executive Officer for Group Store Management of the Company</p> <p>May 2017 Senior Managing Executive Officer for Group Development</p> <p>May 2017 Director, Senior Managing Executive Officer and General Manager of the Development Division of KUSURI NO AOKI CO., LTD.</p> <p>June 2018 Director, Vice President and General Manager of the Development Division</p> <p>May 2021 Director and Vice President (current position)</p> <p>Aug. 2022 Director and Vice President of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Director and Vice President of KUSURI NO AOKI CO., LTD. Director of A2LOGI Ltd.</p>	1,792,840 shares
<p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
4	<p>Ryoichi Yahata (August 24, 1966)</p> <p>Attendance at the Board of Directors Meetings 14/14 meetings</p> <p>Reelection</p>	<p>Apr. 1989 Joined World Co., Ltd.</p> <p>July 2004 Joined KUSURI NO AOKI CO., LTD.</p> <p>May 2006 Executive Officer and Head of the Corporate Planning Office</p> <p>May 2010 Executive Officer and General Manager of the Administration Division</p> <p>May 2012 Managing Executive Officer and General Manager of the Administration Division</p> <p>May 2012 Director of A2LOGI Ltd.</p> <p>May 2013 Managing Executive Officer and Head of the Finance, Planning and IR Office of KUSURI NO AOKI CO., LTD.</p> <p>May 2014 Managing Executive Officer and General Manager of the Administration Division</p> <p>Aug. 2014 Director, Managing Executive Officer and General Manager of the Administration Division</p> <p>Aug. 2016 Director of the Company</p> <p>Nov. 2016 Director and Managing Executive Officer for Group Administration</p> <p>June 2018 Director for Administration and Head of the Corporate Planning Office</p> <p>June 2018 Director of KUSURI NO AOKI CO., LTD.</p> <p>May 2020 Director for Administration of the Company</p> <p>May 2021 Director for Administration and Head of the Accounting Office (current position)</p> <p>May 2021 Director and General Manager of the Accounting Department of KUSURI NO AOKI CO., LTD. (current position)</p> <p>[Significant concurrent positions outside the Company] Director and General Manager of the Accounting Department of KUSURI NO AOKI CO., LTD.</p>	16,500 shares
<p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
5	Hitoshi Iijima (October 16, 1976) Attendance at the Board of Directors Meetings 14/14 meetings Reelection	<p>May 2003 Joined KUSURI NO AOKI CO., LTD.</p> <p>May 2012 General Manager of the Dispensing Administration Department</p> <p>May 2016 Assistant to President for the Development of Large Stores (General Manager equivalent)</p> <p>May 2017 General Manager of the Store Support Department</p> <p>June 2018 General Manager of the Store Administration Division and General Manager of the Dispensing Business Department</p> <p>May 2020 General Manager of the Store Administration Division and Chief Manager for Drugstore Businesses</p> <p>Aug. 2020 Director for Sales Management of the Company</p> <p>Aug. 2020 Director, General Manager of the Store Administration Division and Chief Manager for Drugstore Businesses of KUSURI NO AOKI CO., LTD.</p> <p>May 2021 Director for Sales Management and General Manager of the Kanto and Tohoku Regional Headquarters of the Company (current position)</p> <p>May 2021 Director, General Manager of the Store Administration Division of KUSURI NO AOKI CO., LTD. (current position)</p> <p>June 2022 Director of Japan Association of Chain Drug Stores (current position)</p> <p>[Significant concurrent positions outside the Company] Director, General Manager of the Store Administration Division of KUSURI NO AOKI CO., LTD. Director of Japan Association of Chain Drug Stores</p>	6,000 shares
<p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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	<p>Motoya Okada (June 17, 1951)</p> <p>Attendance at the Board of Directors Meetings 12/14 meetings</p> <p>Reelection Outside</p>	<p>Mar. 1979 Joined JUSCO Co., Ltd. (currently AEON Co., Ltd.)</p> <p>May 1990 Director</p> <p>Feb. 1992 Managing Director</p> <p>May 1995 Senior Managing Director</p> <p>June 1997 Representative Director and President</p> <p>May 2003 Director, President and Representative Executive Officer of AEON Co., Ltd.</p> <p>Nov. 2005 Outside Director & Advisor of TSURUHA HOLDINGS INC.</p> <p>Mar. 2012 Director, President and Representative Executive Officer, and Group CEO of AEON Co., Ltd.</p> <p>Aug. 2014 Outside Director of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2014 Director of WELCIA HOLDINGS CO., LTD. (current position)</p> <p>Nov. 2016 Outside Director of the Company (current position)</p> <p>Mar. 2020 Chairman and Representative Executive Officer of AEON Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Chairman and Representative Executive Officer of AEON Co., Ltd. Director of WELCIA HOLDINGS CO., LTD.</p>	3,000 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles] Motoya Okada holds the office of Chairman and Representative Executive Officer of AEON Co., Ltd. and therefore has abundant experience, track record, and insight as a management executive. With the expectation that he will give advice beneficial to the Company's business from a broad perspective as an Outside Director and help increase its corporate value, the Company proposes his reelection as Outside Director.</p> <p>[Relationship of interest with the Company] Motoya Okada holds the office of Chairman and Representative Executive Officer of AEON Co., Ltd., with which KUSURI NO AOKI CO., LTD., a subsidiary of the Company, has a business and capital alliance. Subsidiaries of the Company have real estate transactions with group companies of AEON Co., Ltd. related to the stores of the Company. Also, the subsidiaries purchase merchandise from the group companies, among other transactions.</p> <p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
7	<p>Naoki Yanagida (February 27, 1960)</p> <p>Attendance at the Board of Directors Meetings 13/14 meetings</p> <p>Reelection Outside Independent</p>	<p>Apr. 1987 Registered as a lawyer</p> <p>Apr. 1987 Joined Yanagida & Nomura (currently Yanagida & Partners)</p> <p>Jan. 2001 Partner (current position)</p> <p>June 2004 Outside Auditor of Nippon Paper Industries Co., Ltd.</p> <p>June 2014 Outside Auditor of Alpine Electronics, Inc.</p> <p>June 2014 Outside Auditor of Sompo Japan Nipponkoa Holdings, Inc. (currently Sompo Holdings, Inc.)</p> <p>June 2016 Outside Director and Audit and Supervisory Committee Member of Alpine Electronics, Inc.</p> <p>June 2016 Outside Auditor of YKK Corporation (current position)</p> <p>June 2019 Outside Director of Sompo Holdings, Inc. (current position)</p> <p>Aug. 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Partner of Yanagida & Partners</p> <p>Outside Auditor of YKK Corporation</p> <p>Outside Director of Sompo Holdings, Inc.</p>	0 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles]</p> <p>Naoki Yanagida has professional perspectives and insights as a lawyer. He has also been involved in the management of multiple companies as outside director or outside auditor. In order to increase the Company's corporate value based on his beneficial advice from his experience and insights regarding corporate management, the Company proposes his reelection as Outside Director.</p> <p>Also, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to continue to submit notification to the aforementioned exchange concerning his designation as an independent officer conditional upon his reelection as Outside Director.</p> <p>[Relationship of interest with the Company]</p> <p>There is no special interest between the candidate and the Company.</p> <p>[Directors and Officers Liability Insurance Contract]</p> <p>The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
8	<p>Toshiya Koshida (May 21, 1972)</p> <p>Attendance at the Board of Directors Meetings 9/9 meetings</p> <p>Reelection Outside Independent</p>	<p>Apr. 1998 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 2001 Registered as a certified public accountant</p> <p>Aug. 2020 Established Koshida Public Accounting Office (current position)</p> <p>Aug. 2021 Outside Director of the Company (current position)</p> <p>July 2022 Representative Director of Hajime Accounting Office Ltd. (current position)</p> <p>[Significant concurrent positions outside the Company] Koshida Public Accounting Office Representative Director and of Hajime Accounting Office</p>	0 shares
	<p>[Reasons for nomination as candidate for Outside Director and expected roles] Toshiya Koshida has professional perspectives and insights as a certified public accountant. The Company judges he will fulfill the function of supervising and overseeing the management independently from business execution and proposes his reelection as Outside Director. Also, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to continue to submit notification to the aforementioned exchange concerning his designation as an independent officer conditional upon his reelection as Outside Director.</p> <p>[Relationship of interest with the Company] There is no special interest between the candidate and the Company.</p> <p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</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
	Yoshiko Inoue (July 26, 1974) Attendance at the Board of Directors Meetings 9/9 meetings Reelection Outside Independent	Apr. 1997 Joined Kao Corporation Feb. 2000 Joined Johnson & Johnson K.K. July 2005 Joined Goldman Sachs Japan Co., Ltd. Jan. 2008 Joined Medtronic Japan Co., Ltd. Oct. 2014 Joined CooperVision Japan Inc. Oct. 2015 Executive Officer Oct. 2018 Director May 2019 Representative Director and President (current position) June 2019 Director of Japan Contact Lens Association (current position) Aug. 2021 Outside Director of the Company (current position) [Significant concurrent positions outside the Company] Representative Director and President of CooperVision Japan Inc. Director of Japan Contact Lens Association	
9	<p>[Reasons for nomination as candidate for Outside Director and expected roles] Yoshiko Inoue holds the office of Representative Director and President of CooperVision Japan Inc. and therefore has abundant experience and insight as a management executive, as well as points of view as a woman, that are beneficial for increasing the corporate value of the Company. With the expectation that the functions of the Board of Directors will be enhanced through her supervision of the management from an independent position, the Company proposes her reelection as Outside Director.</p> <p>Also, she satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to continue to submit notification to the aforementioned exchange concerning her designation as an independent officer conditional upon her reelection as Outside Director.</p> <p>[Relationship of interest with the Company] There is no special interest between the candidate and the Company.</p> <p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy.</p>		0 shares

- (Notes)
1. Mr. Okada, Mr. Yanagida, Mr. Koshida and Ms. Inoue are candidates for Outside Director.
 2. Special notes for the candidates for Outside Director are as follows.
 - (1) The candidates' tenure since assuming office as Outside Director
At the conclusion of this meeting, Mr. Okada's tenure as Outside Director of the Company will have been five years and eight months; for Mr. Yanagida, three years; and for Mr. Koshida and Ms. Inoue, one year each.
 - (2) Limited liability agreements with Outside Directors
The Company established provisions in the Articles of Incorporation to enable the Company to enter into a liability limitation agreement with Outside Directors so that they can fully exercise their abilities and perform their expected roles. Based on the provisions, the Company has entered into a liability limitation agreement with Mr. Okada, Mr. Yanagida, Mr. Koshida and Ms. Inoue. If they are reelected as Director, the Company plans to renew this agreement with each of them as Outside Directors. An outline of the agreement is as follows.
 - In an event whereby the Outside Director becomes liable to the Company for damages due to a failure to perform their duties, their liability is limited to the amount provided for by laws and regulations.
 - The limitation shall be granted only when they have acted in good faith and without gross negligence in performing their duties that caused the liability.
 3. The name of Ms. Inoue on her family register is Yoshiko Imai.

Proposal No. 3 Election of One Substitute Corporate Auditor

The Company also requests approval for the election of one substitute Corporate Auditor to be ready to fill a vacant position should the number of Corporate Auditors fall below the number required by laws and regulations.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for substitute Corporate Auditor is as follows.

Name Date of birth	Career summary (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Shinichi Morioka (March 18, 1977)	Nov. 2003 Registered as a lawyer Aug. 2005 Joined Kenroku Law Firm (currently Kenroku Legal Professional Corporation) (current position) [Significant concurrent positions outside the Company] Lawyer	
<p>[Reasons for nomination as candidate for Outside Corporate Auditor] Shinichi Morioka has professional perspectives and insights as a lawyer as well as abundant experience in commercial issues. In order to reflect them in strengthening the audit system of the Company, it proposes his election as substitute Outside Corporate Auditor. Mr. Morioka has never in the past been involved in the management of a company except as an outside director or an outside auditor. However, the Company judges he will appropriately fulfill his duties as an Outside Corporate Auditor based on the above reasons.</p> <p>[Directors and Officers Liability Insurance Contract] The Company plans to enter into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will cover damages and litigation expenses incurred by the insured in an action for damages. The candidate will be included as an insured in the policy upon his assuming the office of Corporate Auditor.</p>		0 shares

- (Notes)
1. There is no special interest between the candidate and the Company.
 2. Mr. Morioka is the candidate for substitute Outside Corporate Auditor.
 3. Special notes for the candidate for substitute Outside Corporate Auditor are as follows.

Limited liability agreements with substitute Outside Corporate Auditors

The Company established provisions in the Articles of Incorporation to enable the Company to enter into a liability limitation agreement with Outside Corporate Auditors so that they can fully exercise their abilities and perform their expected roles. Based on the provisions, if Mr. Morioka assumes office of Corporate Auditor, the Company plans to enter into the liability limitation agreement with him as Outside Corporate Auditor. An outline of the agreement is as follows.

- In an event whereby the Outside Corporate Auditor becomes liable to the Company for damages due to a failure to perform their duties, their liability is limited to the amount provided for by laws and regulations.
- The limitation shall be granted only when they have acted in good faith and without gross negligence in performing their duties that caused the liability.