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(Securities Code: 3549)

Date of sending by postal mail: August 1, 2024

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To Our Shareholders,

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

Notice of the 26th Annual General Meeting of Shareholders

We are pleased to announce the 26th Annual General Meeting of Shareholders of KUSURI NO AOKI HOLDINGS CO., LTD. (the “Company”), which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (items for which the measures for providing information in electronic format will be taken) in electronic format, and posts this information on the websites below. Please access either of the websites below to review the information.

The Company’s website: <https://www.ir.kusuri-aoki-hd.co.jp/ja/Stock/Meeting.html> (in Japanese)

Tokyo Stock Exchange’s website (Listed Company Search):

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

*Access the TSE website by using the internet address shown above, enter “KUSURI NO AOKI HOLDINGS” in “Issue name (company name)” or the Company’s securities code “3549” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

The proposals to be presented at the General Meeting of Shareholders include the Company proposals (Proposal No. 1 through Proposal No. 4) and a shareholder proposal (Proposal No. 5). The Board of Directors of the Company is “against” the shareholder proposal. Please refer to the Reference Documents for the General Meeting of Shareholders for the details of proposals and the opinion of the Board of Directors of the Company.

If you are not attending the meeting in person, you may exercise your voting rights in writing or by using the Internet, etc. Please read the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. on Thursday, August 15, 2024 (JST).

- 1. Date and Time** **Friday, August 16, 2024, 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 26th term (from May 21, 2023 to May 20, 2024)
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 26th term (from May 21, 2023 to May 20, 2024)
Report on the Non-consolidated Financial Statements

Matters to be resolved

<The Company Proposals (Proposal No. 1 through Proposal No. 4)>

Proposal No. 1	Amendment to the Articles of Incorporation
Proposal No. 2	Election of Eleven Directors
Proposal No. 3	Election of Three Corporate Auditors
Proposal No. 4	Election of One Substitute Corporate Auditor

<Shareholder Proposal (Proposal No. 5)>

Proposal No. 5	Dismissal of Three (3) Directors
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An outline of the shareholder proposal (Proposal No. 5) is as stated in page 20 through page 22 of the Reference Documents for the General Meeting of Shareholders.

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

- If you do not indicate your approval or disapproval for each proposal in the voting form, it shall be treated as an indication of approval for the Company proposals and disapproval for the shareholder proposal.
- 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.
- In accordance with the provisions of laws and regulations and Article 19, paragraph 2 of the Company's Articles of Incorporation, the Company has not stated the following matters in the Delivery Document (the paper-based documents delivered to shareholders who have made a request for delivery of the document).

Matters not stated in the Delivery Document

- Of the Status of the Corporate Group in the Business Report, "Business progress and results," "Status of assets and profit/loss," "Issues to be addressed," "Principal businesses," "Principal offices," "Status of employees," and "Status of principal lenders" under the "Status of business for the fiscal year"
- Of the Business Report, Matters regarding shares, Matters regarding share acquisition rights, etc., Matters regarding the accounting auditors, Matters regarding establishment of a system to ensure the appropriateness of business activities, Outline of the operating status of the system to ensure the appropriateness of business activities, and Policy for determining the dividends of surplus
- The Consolidated Financial Statements, the Non-consolidated Financial Statements, the Accounting Auditor's Report to the Consolidated Financial Statements, the Accounting Auditor's Report to the Non-consolidated Financial Statements, the Corporate Auditors' Report

Therefore, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements posted on the Company's website are part of the documents that were audited by the Corporate Auditors and the Accounting Auditor when preparing the Corporate Auditors' Report and the Accounting Auditor's Report, respectively.

Note that, for this General Meeting of Shareholders, paper-based documents stating items for which the measures for providing information in electronic format will be taken, excluding the items listed above, will be delivered to all shareholders regardless of whether they have made a request for delivery of such documents.

- If there are any amendments to the items for which the measures for providing information in electronic format will be taken, such matters before and after amendments will be announced on the respective websites.
- 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 26th Annual General Meeting of Shareholders.

The Company's website (https://www.kusuri-aoki-hd.co.jp) (in Japanese)
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Reference Documents for the General Meeting of Shareholders

<The Company Proposals (Proposal No. 1 through Proposal No. 4)>

Proposal No. 1 Amendment to the Articles of Incorporation

1. Reasons for the Proposal

In the Company's current Articles of Incorporation, the maximum number of Directors is stated at 10 Directors. However, for the purpose of strengthening the Company's corporate governance, the Company wishes to appoint 11 Directors so that the Outside Directors make up a majority of the Board of Directors.

2. Details of the amendment

Details of the amendment are as follows.

(Underlined portions represent amendments.)

Current Articles of Incorporation	Proposed Amendments
(Number of Directors) Article 20 The Company shall have not more than <u>ten</u> Directors.	(Number of Directors) Article 20 The Company shall have not more than <u>eleven</u> Directors.

Proposal No. 2 Election of Eleven Directors

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

Therefore, in order to further strengthen management oversight functions and corporate governance, the Company intends to increase one Outside Director and proposes the election of eleven 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 16/16 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>	4,447,500 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	Hironori Aoki (April 6, 1972) Attendance at the Board of Directors Meetings 16/16 meetings Reelection	<p>Apr. 1996 Joined Otsuka Pharmaceutical Co., Ltd.</p> <p>Feb. 2003 Joined KUSURI NO AOKI CO., LTD.</p> <p>Apr. 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>	7,496,508 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>Takanori Aoki (November 28, 1973)</p> <p>Attendance at the Board of Directors Meetings 16/16 meetings</p> <p>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>	5,378,520 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
4	<p>Hitoshi Iijima (October 16, 1976)</p> <p>Attendance at the Board of Directors Meetings 16/16 meetings</p> <p>Reelection</p>	<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</p> <p>May 2021 Director, General Manager of the Store Administration Division of KUSURI NO AOKI CO., LTD.</p> <p>June 2022 Director of Japan Association of Chain Drug Stores (current position)</p> <p>May 2024 Managing Director for Sales and Management Strategies of the Company (current position)</p> <p>May 2024 Managing Director, General Manager of the Store Administration Division and for the Development of the Kanto and Tohoku Regional Headquarters of KUSURI NO AOKI CO., LTD. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Managing Director, General Manager of the Store Administration Division and for the Development of the Kanto and Tohoku Regional Headquarters of KUSURI NO AOKI CO., LTD.</p> <p>Director of Japan Association of Chain Drug Stores</p>	18,000 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
5	Ryoichi Yahata (August 24, 1966) Attendance at the Board of Directors Meetings 16/16 meetings Reelection	Apr. 1989 Joined World Co., Ltd. July 2004 Joined KUSURI NO AOKI CO., LTD. May 2006 Executive Officer and Head of the Corporate Planning Office May 2010 Executive Officer and General Manager of the Administration Division May 2012 Managing Executive Officer and General Manager of the Administration Division May 2012 Director of A2LOGI Ltd. May 2013 Managing Executive Officer and Head of the Finance, Planning and IR Office of KUSURI NO AOKI CO., LTD. May 2014 Managing Executive Officer and General Manager of the Administration Division Aug. 2014 Director, Managing Executive Officer and General Manager of the Administration Division Aug. 2016 Director of the Company Nov. 2016 Director and Managing Executive Officer for Group Administration June 2018 Director for Administration and Head of the Corporate Planning Office June 2018 Director of KUSURI NO AOKI CO., LTD. May 2020 Director for Administration of the Company May 2021 Director for Administration and Head of the Accounting Office May 2021 Director and General Manager of the Accounting Department of KUSURI NO AOKI CO., LTD. May 2023 Director for Administration of the Company (current position) May 2023 Director of KUSURI NO AOKI CO., LTD. (current position) [Significant concurrent positions outside the Company] Director of KUSURI NO AOKI CO., LTD.	49,500 shares
	[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.		

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	Motoya Okada (June 17, 1951) Attendance at the Board of Directors Meetings 15/16 meetings Reelection Outside	Mar. 1979 Joined JUSCO Co., Ltd. (currently AEON Co., Ltd.) May 1990 Director Feb. 1992 Managing Director May 1995 Senior Managing Director June 1997 Representative Director and President May 2003 Director, President and Representative Executive Officer of AEON Co., Ltd. Nov. 2005 Outside Director & Advisor of TSURUHA HOLDINGS INC. Mar. 2012 Director, President and Representative Executive Officer, and Group CEO of AEON Co., Ltd. Aug. 2014 Outside Director of KUSURI NO AOKI CO., LTD. Nov. 2014 Director of WELCIA HOLDINGS CO., LTD. (current position) Nov. 2016 Outside Director of the Company (current position) Mar. 2020 Chairman and Representative Executive Officer of AEON Co., Ltd. (current position) [Significant concurrent positions outside the Company] Chairman and Representative Executive Officer of AEON Co., Ltd. Director of WELCIA HOLDINGS CO., LTD.	9,000 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	Naoki Yanagida (February 27, 1960) Attendance at the Board of Directors Meetings 15/16 meetings Reelection Outside Independent	Apr. 1987 Registered as a lawyer Apr. 1987 Joined Yanagida & Nomura (currently Yanagida & Partners) Jan. 2001 Partner (current position) June 2004 Outside Auditor of Nippon Paper Industries Co., Ltd. June 2014 Outside Auditor of Alpine Electronics, Inc. June 2014 Outside Auditor of Sompo Japan Nipponkoa Holdings, Inc. (currently Sompo Holdings, Inc.) June 2016 Outside Director and Audit and Supervisory Committee Member of Alpine Electronics, Inc. June 2016 Outside Auditor of YKK Corporation June 2019 Outside Director of Sompo Holdings, Inc. Aug. 2019 Outside Director of the Company (current position) [Significant concurrent positions outside the Company] Partner of Yanagida & Partners	
	[Reasons for nomination as candidate for Outside Director and expected roles] 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. 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. [Relationship of interest with the Company] There is no special interest between the candidate and the Company. [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.		0 shares

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	Yoshiko Inoue (July 26, 1974) Attendance at the Board of Directors Meetings 16/16 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 June 2019 Director of Japan Contact Lens Association Aug. 2021 Outside Director of the Company (current position) June 2023 Director and Vice President of Novo Nordisk Pharma Ltd. (current position) [Significant concurrent positions outside the Company] Director and Vice President of Novo Nordisk Pharma Ltd.	0 shares
	[Reasons for nomination as candidate for Outside Director and expected roles] Yoshiko Inoue holds the office of Director and Vice President of Novo Nordisk Pharma Ltd. 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. 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. [Relationship of interest with the Company] There is no special interest between the candidate and the Company. [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.		

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
9	Hiromitsu Fujii (April 13, 1977) Attendance at the Board of Directors Meetings 11/11 meetings Reelection Outside Independent	July 2002 Joined DRUG STORE MORI Co., Ltd. (currently Natural Holdings Co., Ltd.) Oct. 2007 Joined KUSURI NO AOKI CO., LTD. Apr. 2008 Retired from KUSURI NO AOKI CO., LTD. May 2008 Joined ZAG ZAG Co., Ltd. Director June 2015 Representative Director of taion365 Co., Ltd. (current position) Aug. 2017 Representative Director of TAION HOLDINGS Co., Ltd. (current position) Oct. 2017 Representative of TAION Scholarship Foundation (current position) Aug. 2023 Outside Director of the Company (current position) [Significant concurrent positions outside the Company] Representative Director of TAION HOLDINGS Co., Ltd.	0 shares
	<p>[Reasons for nomination as candidate for Outside Director and expected roles] Hiromitsu Fujii holds the office of Representative Director and President of TAION HOLDINGS and therefore has abundant experience and insight as a management executive in the field of nursing care and home-specific dispensing pharmacies. In addition, he has been engaged in the drugstore industry for many years. The Company judges that his knowledge of the drugstore industry and his ability to supervise the Company's management from an independent position and to advise the Board of Directors on changing customer needs, based on his experience in establishing businesses in the dispensing pharmacy and nursing care fields, etc., will not only strengthen the functions of the Board of Directors of the Company, but also help the Company operate drugstores and dispensing pharmacies that are trusted by customers in the local community and continue to increase corporate value while enhancing customer satisfaction. Therefore, the Company proposes his election as Outside Director.</p> <p>He joined KUSURI NO AOKI CO., LTD. in 2007 and worked at a store for about six months as an employee of the Company. However, it has been more than 15 years since he left the Company, and there is no engagement with the Company in the past or present excluding the respective period. Therefore, there is no problem from the independent perspective with respect to his execution of duties as Outside Director of the Company, and he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer conditional upon his election 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
10	Toshiaki Takeuchi (March 22, 1959) New Election Outside Independent	Apr. 1981 Joined Kao Corporation June 2012 Executive Officer Mar. 2014 Representative Director, Managing Executive Officer Representative Director, President and Executive Officer of Kao Customer Marketing Co., Ltd. Jan. 2016 Representative Director, Senior Managing Executive Officer of Kao Corporation Representative Director, President and Executive Officer of Kao Group Customer Marketing Co., Ltd. Mar. 2023 Retired from Representative Director, Senior Managing Executive Officer of Kao Corporation Retired from Representative Director, President and Executive Officer of Kao Group Customer Marketing Co., Ltd. Apr. 2024 Outside Director of CROSS PLUS INC. (current position) [Significant concurrent positions outside the Company] —	0 shares
	<p>[Reasons for nomination as candidate for Outside Director and expected roles]</p> <p>Toshiaki Takeuchi has held the offices of Representative Director, Senior Managing Executive Officer of Kao Corporation and Representative Director, President and Executive Officer of Kao Customer Marketing Co., Ltd. and therefore has abundant experience and track record as a management executive, as well as sufficient knowledge in the retail industry. There is an expectation that Mr. Takeuchi's advice to the Company's Board of Directors, based on his experience, knowledge, and track record as a representative director of a major consumer goods manufacturer, will contribute to appropriately responding to changing customer needs and strengthening the Company's governance. Having also judged that this will lead to continuously improving the Company's corporate value, the Company proposes his election as Outside Director. In addition, more than one year has passed since he retired from Kao Corporation and Kao Customer Marketing Co., Ltd. Therefore, there is no problem from the independent perspective with respect to his execution of duties as Outside Director of the Company, and he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer conditional upon his election 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
11	Reiko Kinoshita (July 3, 1964) New Election Outside Independent	Apr. 1987 Joined The Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.) Apr. 2000 Vice President of Lehman Brothers Japan Inc. Oct. 2002 Senior Vice President of The Tokyo Star Bank, Limited Nov. 2004 Managing Director of SBI Capital Co., Ltd. June 2006 Representative Director of SBI Capital Solutions Co., Ltd. (currently Admiral Capital Co., Ltd.) (current position) June 2007 Director and Managing Executive Officer of SBI Holdings, Inc. July 2008 Representative Director of SBI Receipt Co. Ltd. May 2011 Representative Director of Do Financial Service Co., Ltd. (current position) June 2018 Representative Director of Higashinihonshinpan.co., LTD. (current position) June 2020 Outside Director of Helios Techno Holding Co., Ltd. (current position) Feb. 2021 Representative Director of UNY FINANCE Co., Ltd. (current position) May 2022 Representative Director of Track Ceiling Co., Ltd. (current position) June 2022 Outside Director of PHOENIX Electric Co., Ltd. (current position) Mar. 2023 Director of Green Service Co., Ltd (current position) [Significant concurrent positions outside the Company] Representative Director of Admiral Capital Co., Ltd	0 shares
<p>[Reasons for nomination as candidate for Outside Director and expected roles] Reiko Kinoshita holds the office of Representative Director of Admiral Capital Co., Ltd. and therefore has abundant experience and track record as a management executive, as well as a broad range of perspectives, having served as Director of a company in which the Company has invested. The Company judges that her advice to the Board of Directors of the Company will not only strengthen the functions of the Board of Directors, but also help the Company to increase sustainable corporate value by promoting M&A, which the Company is proactively pursuing, and contributing to the Company's growth strategy as she has abundant knowledge in M&A as an investor herself. Therefore, the Company proposes her election as Outside Director. Also, she satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning her designation as an independent officer conditional upon her election 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>			

- (Notes)
1. Mr. Okada, Mr. Yanagida, Ms. Inoue, Mr. Fujii, Mr. Takeuchi and Ms. Kinoshita 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 seven years and eight months; for Mr. Yanagida, five years; for Ms. Inoue, three years, and for Mr. Fujii, one year.
 - (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, Ms. Inoue and Mr. Fujii. If they are reelected as Director, the Company plans to renew this agreement with each of them as Outside Directors. In addition, if Mr. Takeuchi and Ms. Kinoshita are elected as Director, the Company plans to enter into the liability limitation agreement with 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. At Sompo Japan Insurance Inc., a subsidiary of Sompo Holdings Co., Ltd., where Mr. Yanagida had been appointed as Outside Director, inappropriate actions in light of the intent of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade occurred, as well as an incident concerning an inappropriate response by Sompo Japan Insurance Inc. to fraudulent automotive insurance claims by a second-hand car dealership. Although disciplinary action by the Financial Services Agency has already been taken, through his regular attendance at the Board of Directors meetings, he offered his opinions from the perspectives of compliance with laws and regulations, ensuring effectiveness of that group's governance and the importance of cause analysis in compliance issues.
 4. The name of Ms. Inoue on her family register is Yoshiko Imai.

[Reference] Structure of the Board of Directors and Skills Matrix after Election

If Proposal No. 2 is approved and adopted as originally proposed, the composition of the Board of Directors will be as follows:

Category	Name	Position	Expertise				
			Corporate management/ Business strategies	Business knowledge/ Products	Human capital/ HR Development	Finance/ Accounting	Regal affairs/Risk management
Directors	Yasutoshi Aoki	Director and Top Adviser	○	○	○		
	Hironori Aoki	Representative Director and President	○	○	○		
	Takanori Aoki	Director and Vice President	○	○		○	
	Hitoshi Iijima	Managing Director		○	○		
	Ryoichi Yahata	Director		○		○	○
	Motoya Okada	Director (Outside)	○	○			
	Naoki Yanagida	Director (Outside)			○		○
	Yoshiko Inoue	Director (Outside)	○		○		
	Hiromitsu Fujii	Director (Outside)	○	○			
	Toshiaki Takeuchi	Director (Outside)	○	○			○
	Reiko Kinoshita	Director (Outside)	○		○	○	

Note: The skills matrix above does not indicate all the knowledge and experiences each candidate has.

Proposal No. 3 Election of Three Corporate Auditors

The terms of office of all three Corporate Auditors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Corporate Auditors.

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

The candidates for Corporate Auditor are as follows.

Candidate No.	Name Date of birth	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masahiro Mikamori (September 7, 1968) New Election	<p>July 2002 Joined KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2016 Regional Manager of the Store Administration Department</p> <p>May 2019 Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Committee Chairperson</p> <p>Nov. 2023 Seconded to UA Zenzen/KUSURI NO AOKI Union Full-time Secretary General</p> <p>May 2024 Regional Manager of the Store Administration Department of KUSURI NO AOKI CO., LTD. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>—</p>	7,100 shares
	<p>[Reasons for nomination as candidate for Standing Corporate Auditor and expected roles]</p> <p>Masahiro Mikamori has a long history with the Company and long experience in the field as a manager of the Store Administration Department, and is very knowledgeable about the drugstore industry. He also has experience as the full-time chairperson and secretary general of the Company's labor union, which gives him a multifaceted perspective, including knowledge of human capital, and the Company proposes his election as a Standing Corporate Auditor to reflect his knowledge toward strengthening the Company's auditing system.</p>		
2	Toshiaki Kuwajima (January 23, 1952) Attendance at the Board of Directors Meetings 16/16 meetings Attendance at the Board of Corporate Auditors Meetings 15/15 meetings Reelection Outside	<p>Apr. 1974 Joined MITSUI & CO., LTD.</p> <p>July 1984 Joined Kanakan Inc.</p> <p>Apr. 1990 Director</p> <p>Feb. 1994 Director of Hokuriku Reizou Co., Ltd.</p> <p>Apr. 2000 Representative Director and President of Kanakan Inc.</p> <p>June 2010 Joined Coca-Cola Customer Marketing Company, Limited.</p> <p>Apr. 2011 Executive Officer and General Manager of Trading Marketing Department</p> <p>Jan. 2012 Executive Officer and General Manager of Sales Division 2</p> <p>Sept. 2013 Joined ATOM Transportation Co., Ltd.</p> <p>Nov. 2013 Director and Vice President</p> <p>Aug. 2014 Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2015 Director and CEO of K & Associates Co., Ltd. (current position)</p> <p>Mar. 2016 Outside Director of GRN Co., Ltd. (current position)</p> <p>Nov. 2016 Outside Corporate Auditor of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Director and CEO of K & Associates Co., Ltd.</p> <p>Outside Director of GRN Co., Ltd.</p>	0 shares

Candidate No.	Name Date of birth	Career summary and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p>Akiko Nakamura (December 30, 1959)</p> <p>Attendance at the Board of Directors Meetings 16/16 meetings</p> <p>Attendance at the Board of Corporate Auditors Meetings 15/15 meetings</p> <p>Reelection Outside Independent</p>	<p>Apr. 1992 Registered as a lawyer</p> <p>Apr. 1992 Joined Wakakusa Law Office</p> <p>Feb. 1994 Hiromu Matsumoto Law Office (currently Akiko Nakamura Law Office) (current position)</p> <p>Mar. 2014 Outside Corporate Auditor of THE HOKKOKU SHINBUN (current position)</p> <p>Aug. 2014 Outside Corporate Auditor of KUSURI NO AOKI CO., LTD.</p> <p>Nov. 2016 Outside Corporate Auditor of the Company (current position)</p> <p>June 2022 Part-time Auditor of Ishikawa Prefecture of Fisheries Co-operative Associations (current position)</p> <p>June 2024 Outside Audit & Supervisory Board Member of Hokuriku Electric Power Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Lawyer</p> <p>Outside Corporate Auditor of THE HOKKOKU SHINBUN</p> <p>Outside Audit & Supervisory Board Member of Hokuriku Electric Power Company</p>	0 shares

- (Notes)
- There is no special interest between each of the candidates and the Company.
 - Mr. Kuwajima and Ms. Nakamura are the candidates for Outside Corporate Auditor.
 - Special notes for the candidates for Outside Corporate Auditor are as follows.
 - Reasons for nomination as candidate for Outside Corporate Auditor

Mr. Kuwajima has wide and sophisticated insights and abundant experience as a management executive. The Company proposes his election as Outside Corporate Auditor.

Ms. Nakamura 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 her election as Outside Corporate Auditor. Ms. Nakamura 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 she will appropriately fulfill her duties as an Outside Corporate Auditor based on the above reasons. 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 Corporate Auditor.
 - Limited liability agreements with 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, the Company has entered into a liability limitation agreement with Mr. Kuwajima and Ms. Nakamura. If they are reelected as Corporate Auditor, the Company plans to renew this agreement with each of them as Outside Corporate Auditors. 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.

Proposal No. 4 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	0 shares
[Reasons for nomination as candidate for substitute 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.		
[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.		

- (Notes)
- There is no special interest between the candidate and the Company.
 - Mr. Morioka is the candidate for substitute Outside Corporate Auditor.
 - 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.
 - Mr. Morioka satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to submit notification to the aforementioned exchange concerning his designation as an independent officer, if he assumes the office of Outside Corporate Auditor.

<Shareholder Proposal (Proposal No. 5)>

Proposal No. 5 is a shareholder proposal.

A summary of, and the reasons for the proposal are presented as originally submitted, except for formalistic adjustments.

Proposal No. 5 Dismissal of three (3) Directors

I Outline of the proposal

Dismissal of Director Mr. Hironori Aoki (Candidate No. 1).

Dismissal of Director Mr. Takanori Aoki (Candidate No. 2).

Dismissal of Director Mr. Ryoichi Yahata (Candidate No. 3).

II Reasons for the proposal

In January 2020, the 5th stock options (the “Stock Options”) targeting only two (2) persons, Representative Director Mr. Hironori Aoki and Mr. Takanori Aoki, a director of the Company’s subsidiary at the time, were issued, without resolution of a Shareholders’ Meeting, but only by the resolution of the Board of Directors. In regard to the Stock Options, the Shareholder (Oasis) who proposed the proposals herein, has raised the issues summarized below to the Company since last year.

- ① The month before the resolution of the Board of Directors on the issuance of the Stock Options, the Company made an announcement of downward revision (the “Downward Revision”) to its earnings forecast while such forecast was not the level requiring the announcement under the TSE’s listing rules, as a result of which the Company’s share price sharply dropped. However, the Company’s performance that year not only beat the forecast before the Downward Revision, but actually beat the revised earnings forecast after by more than 30%.
- ② For the period during which the Company’s share price remained stagnant due to the Downward Revision, in addition to the issuance of the Stock Options, share transactions were carried in which shares held by Mr. Keisei Aoki were transferred to his sons, Mr. Hironori Aoki and Mr. Takanori Aoki. Thanks to the Downward Revision, the issuance price and exercise price of the Stock Options were driven down and, at the same time, the financing and the amount of tax associated with the said share transfer were also decreased.
- ③ The Stock Options caused a share dilution of more than 11%. The amount paid (i.e., the issuance price) of the Stock Options was also particularly favorable to Mr. Hironori Aoki and Mr. Takanori Aoki, requiring resolution of a Shareholders’ Meeting which the Company failed to obtain, which is against the law.

The series of facts summarized above explicitly shows the Company’s serious governance issues and more than half of the general shareholders (i.e., shareholders except for the founding family, companies that have a capital and business alliance with the Company, financial institutions that are lenders to the Company, and companies that have business relationship with the Company) voted against the re- election of Mr. Hironori Aoki at the annual shareholders’ meeting last year.

Through a petition for permission to inspect and make copies of meeting minutes, etc. and a lawsuit for inspection and making copies of accounting books, etc., Oasis acquired minutes of the Board of Directors and the Board of Corporate Auditors and the valuation report of the Stock Options issued by Plutus Consulting Co., Ltd. Oasis believes these documents support the view that both the Downward Revision and the issuance of the Stock Options were aimed only for the interests of the founding family at the expense of the general shareholders taking into account, among others, that the resolution regarding the Stock Options was prematurely made by the Board of Directors with only about an hour of discussion and that no appropriate discussions were held regarding the valuation method of the Stock Options. Therefore, Oasis will file a derivative lawsuit seeking liability against Mr. Hironori Aoki, Mr. Ryoichi Yahata and others, who led the issuance of the Stock Options at that time, in pursuit of recovery of the huge damages incurred by the issuance of the Stock Options (according to Oasis’s calculation, approximately 7 (seven) billion yen).

Unfortunately, the Stock Options can be exercisable from August 21st this year. If, Mr. Hironori Aoki and Mr. Takanori Aoki exercise the Stock Options without waiting for final judgment from the court, in addition to the damages the Company suffered at the time of the issuance, the interests of the general shareholders will be further damaged by way of significant share dilution. In order to hold accountable those who caused this situation and, at the same time, to drastically improve the Company’s governance, Oasis hereby proposes the dismissal proposal as Oasis considers it is highly necessary to dismiss Mr. Hironori Aoki and Mr. Takanori Aoki, and in addition to the brothers, Mr. Ryoichi Yahata who led the issuance of the Stock Options under influence of the Aoki brothers.

III Opinion of the Board of Directors

The Board of Directors opposes this proposal for the following reasons.

It is conceivable that the purpose of the Shareholder Proposal is to impart doubts on other shareholders regarding the validity of the issuance of stock options (the “Stock Options”), which was resolved at the Company’s Board of Directors meeting on January 9, 2020, where no problem exists with regards to the validity of said issuance, as will be described below. The Board of Directors therefore believes that said Shareholder Proposal, made for this purpose, is an **extremely unnatural act**, as it unfairly imparts a sense of distrust toward the Company on shareholders. In addition, the Proposing Shareholder has published a document entitled “Improvement of Corporate Governance of KUSURI NO AOKI HOLDINGS (July 12, 2024)” on its website. This document contains a significant amount of content that may unduly influence the judgment of ordinary shareholders regarding the exercise of their voting rights, and the Company does not approve of said content. Furthermore, the Board of Directors will take decisive action against any improper exercise of rights or leakage of information obtained through use of a shareholder’s position.

According to the Shareholder Proposal, the main reason for dismissal is that the Company’s Board of Directors resolved the issuance of Stock Options at the Company’s Board of Directors meeting on January 9, 2020, without passing a resolution at the Annual General Meeting of Shareholders, and the following three points are provided as problems with said resolution.

- “① The month before the resolution of the Board of Directors on the issuance of the Stock Options, the Company made an announcement of downward revision (the “Downward Revision”) to its earnings forecast while such forecast was not the level requiring the announcement under the TSE’s listing rules, as a result of which the Company’s share price sharply dropped. However, the Company’s performance that year not only beat the forecast before the Downward Revision, but actually beat the revised earnings forecast after by more than 30%.”
- “② For the period during which the Company’s share price remained stagnant due to the Downward Revision, in addition to the issuance of the Stock Options, share transactions were carried in which shares held by Mr. Keisei Aoki were transferred to his sons, Mr. Hironori Aoki and Mr. Takanori Aoki. Thanks to the Downward Revision, the issuance price and exercise price of the Stock Options were driven down and, at the same time, the financing and the amount of tax associated with the said share transfer were also decreased.”
- “③ The Stock Options caused a share dilution of more than 11%. The amount paid (i.e., the issuance price) of the Stock Options was also particularly favorable to Mr. Hironori Aoki and Mr. Takanori Aoki, requiring resolution of a Shareholders’ Meeting which the Company failed to obtain, which is against the law.”

With regards to the first point, there is **no problem with revising the earnings forecast even if it was not at a level requiring the announcement under the TSE’s listing rules**. The reason for the downward revision was that the Company was facing a situation where it was necessary to revise the full-year earnings forecast downward compared to the initial forecast, as reported in the **“Opinion of the Company’s Board of Directors in Response to the Disclosure Materials by the Company’s Shareholders”** dated August 8, 2023 (the “Press Release Dated August 8, 2023”). In addition, the reason for the results for the fiscal year ended May 31, 2020 exceeding the downwardly revised forecast was that operating profit and ordinary profit increased due to the rapid increase in demand for drugstore merchandise, including masks, disinfectants, paper products, and food products, in response to the spread of COVID-19, as well as a reduction in selling, general and administrative expenses as the Company were forced to scale back sales promotion and pricing measures at existing and new stores. The Board of Directors therefore believes that, **as this could not have been predicted at the time of the downward revision and the Proposing Shareholder’s argument is merely an afterthought**, it cannot be the reason or basis for the dismissal of the Directors.

With regards to the second point, as described above, the Board of Directors believes that since this downward revision was made only because the Company was facing a situation where it was necessary to revise the full-year earnings forecast downward compared to the initial forecast, and was not made for the purpose of lowering the issuance price of the Stock Options, it cannot be the reason or basis for the dismissal of the Directors.

With regards to the third point, the Shareholder Proposal asserts that “the amount paid (i.e., the issuance price) of the Stock Options was also particularly favorable” and that it required “resolution of a Shareholders’ Meeting which the Company failed to obtain, which is against the law.” However, as reported in the Press Release Dated August 8, 2023, the issuance price and fair valuation unit price of the Stock Options were calculated by PLUTUS CONSULTING Co., Ltd., a third-party valuation institution, using a general option pricing calculation model that took into account the Company’s stock price information and other factors, and were based on an objective analysis. As such, the Proposing Shareholder’s argument that “the amount paid (i.e. the issuance price) of

the Stock Options was also particularly favorable” is in no way reasonable and, therefore, cannot be the reason or basis for the dismissal of the Directors.

Based on the above, the Board of Directors opposes the Shareholder Proposal as **there is little reason or basis for “Dismissal of Three (3) Directors,” the content of the proposal.**

Since the terms of office of the Company’s Directors “shall expire at the conclusion of the last Annual General Meeting of Shareholders for the business year ending within one year after their election” based on the Company’s Articles of Incorporation, **the terms of office as Directors will expire at the conclusion of the Company’s Annual General Meeting of Shareholders to be held on August 16, 2024.** If the proposing shareholder exercises their voting rights, as is normally done, and indicates their opposition to the proposal related to the reelection of the Company’s Representative Director Hironori Aoki and the Company’s Directors Takanori Aoki and Ryoichi Yahata in Proposal No. 2 submitted by the Company, the proposing shareholder can express their intention not to reelect the Subject Directors as Directors. Accordingly, the Board of Directors does not see any substantive significance for a separate dismissal.