

(Securities Code: 7459)  
June 1, 2021

**To our shareholders:**

Shuichi Watanabe  
Representative Director, President and CEO  
MEDIPAL HOLDINGS CORPORATION  
2-7-15, Yaesu, Chuo-ku, Tokyo, Japan

## **Notice of Convocation of the 112th Ordinary General Meeting of Shareholders**

Please be advised that the 112th Ordinary General Meeting of Shareholders of MEDIPAL HOLDINGS CORPORATION (the “Company”) will be held as described below.

From the viewpoint of preventing the spread of COVID-19, we strongly recommend that shareholders should refrain from attending this General Meeting of Shareholders in person regardless of your physical condition, and exercise voting rights in advance either in writing or via the Internet as much as possible.

**Please review the attached Reference Documents for the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, June 24, 2021 (Japan Standard Time) by following the “Guidance for Methods of Exercise of Voting Rights” on pages 3-4.**

No gifts will be handed out to shareholders physically attending the meeting this year just as last year. Thank you in advance for your understanding.

- 1. Date and time:** Friday, June 25, 2021 at 10:00 a.m. (Japan Standard Time)
- 2. Place:** Iris Banquet Hall, 3F, Tokyo Bay Ariake Washington Hotel  
3-7-11 Ariake, Koto-ku, Tokyo, Japan  
Please note that the venue of the meeting differs from that of the previous meeting.  
(The number of available seats at the meeting will be considerably less than usual, due to an increase in space between seats to prevent the spread of COVID-19. For this reason, we may be required to refuse entry to the meeting to some shareholders on the day. We ask for your understanding about this matter in advance.)
- 3. Agenda:**
  - Matters to be reported:**
    1. Business Report and Consolidated Financial Statements for the 112th Fiscal Term (from April 1, 2020 to March 31, 2021), and results of audits of the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board
    2. Non-consolidated Financial Statements for the 112th Fiscal Term (from April 1, 2020 to March 31, 2021)
  - Matters to be resolved:**
    - Proposal 1:** Election of 12 Directors
    - Proposal 2:** Election of One Audit & Supervisory Board Member
- 4. Matters related to exercise of voting rights:**
  - (1) Voting Forms that do not indicate a vote for or against a proposal will be counted as a vote “for” that proposal.

- (2) Only the most recent of multiple Internet votes submitted by the same shareholder will be counted as valid.
- (3) Only the Internet vote will be counted as valid for both Internet and Mail votes submitted by the same shareholder.

**5. Matters related to Reference Documents for the Ordinary General Meeting of Shareholders and documents provided in this Notice:**

- (1) The attached English version of the Reference Documents for the Ordinary General Meeting of Shareholders contains only the content of pages 9 to 29 of the Japanese Reference Documents (English pages 5 to 26).
- (2) If there are any corrections made to the Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, the corrected items will be posted on the Company's website (<https://www.medipal.co.jp/>) in Japanese only.

**◎ Request**

- The above-mentioned measures may be updated according to the situation of the spread of COVID-19 and content of the government's announcements to be issued by the date of the meeting. Please regularly check the updated website (<https://www.medipal.co.jp/>).
- Bringing the enclosed Voting Form on the day of the meeting or mailing it to the Company to exercise voting rights involves the risk of COVID-19 infection through processes for the mailing and counting of Voting Forms. Therefore, in case of exercising voting rights in advance, the Company strongly recommends voting via the Internet or any other means instead of bringing or mailing Voting Forms.
- Alcohol-based hand sanitizer will be available near the reception counter at the meeting place. (Shareholders coming to the meeting need to bring and wear their own face masks.)
- Please note that temperature checks will be conducted near the reception of the meeting place for shareholders coming to the meeting. Those who are found to develop a fever or those who seem to be in poor health may be denied entry and asked to return home.
- The Company will check physical conditions of staff in charge of organizing the meeting beforehand including temperature checks, and the staff will wear face masks.

**◎ Notice**

Company employees and officers will attend the meeting in business casual clothing, without neckties or the like (a style known in Japan as "Cool Biz").

## Guidance for Methods of Exercising Voting Rights

You can exercise your voting rights by one of the following three methods.

### Shareholders Attending the General Meeting of Shareholders

Please present the enclosed Voting Form to the reception desk.

Date and time: Friday, June 25, 2021 at 10:00 a.m. (Japan Standard Time)

Place: Iris Banquet Hall, 3F, Tokyo Bay Ariake Washington Hotel  
3-7-11 Ariake, Koto-ku, Tokyo, Japan

Please note that the venue of the meeting differs from that of the previous meeting.

### Exercising Voting Rights in Writing

Please vote for or against the proposals using the enclosed Voting Form and mail the Form to the Company (no postage is necessary).

Voting deadline: To be received no later than 5:30 p.m. on Thursday, June 24, 2021 (Japan Standard Time)

### Guidance for Exercising Voting Rights via the Internet, etc.

Voting deadline: To be received no later than 5:30 p.m. on Thursday, June 24, 2021 (Japan Standard Time)

#### **“Smart Voting,” method that works by scanning a QR code**

You can log in to the website for exercising voting rights without having to enter your voting code and password.

1. Please scan the QR code on the lower right of Voting Form.

\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. From there, please follow the instructions on the screen to indicate your vote for or against.

#### **“Smart Voting” can only be used once to exercise your voting rights.**

In the event that you wish to change your vote after exercising your voting rights, please access the PC website, enter the voting code and the password printed on Voting Form, log in, and exercise your voting rights once again.

\* When the QR code is read again, you will be transferred to the PC website.

#### **Method for entering voting code and password**

Website URL for Internet voting: <https://www.web54.net>

1. Please access the website for exercising voting rights.

2. Enter the voting code printed on Voting Form.

3. Enter the password provided on Voting Form.

4. From there, please follow the instructions on the screen to indicate your vote for or against.

---

\*1 Depending on the Internet usage environment on your PC, smartphone or cell phone, you may not be able to access the website for exercising your voting rights.

\*2 Only the Internet vote will be counted as valid for Internet and mail votes submitted by the same shareholder. In addition, only the most recent of multiple votes via the Internet submitted by the same shareholder will be counted as valid.

<b>Inquiries about voting via the Internet</b>
--

Dedicated number of Stock Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited  
Telephone: 0120-652-031 (Toll free)  
(accessible from 9:00 a.m. to 9:00 p.m. within Japan)

<b>For institutional investors</b>
------------------------------------

With regard to institutional investors, for this General Meeting of Shareholders, it will also be possible to use the electronic voting rights exercise platform operated by ICJ, Inc., so as to allow voting rights to be exercised by electromagnetic methods.

## Reference Documents for the Ordinary General Meeting of Shareholders

### Proposal 1 Election of 12 Directors

The term of office of all Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of 12 Directors (four of whom are Outside Directors), including the new candidate of one Outside Director in addition to the current 11 Directors, to further strengthen the management system.

As is stipulated in the “Policy for the election of Directors” (see page 24), the basic policy of the Group is to elect as Directors people who will reliably work on compliance and lead all employees, and who have abundant experience, a high degree of insight and advanced specialization in order to contribute to the sustainable growth of the Group and the enhancement of its medium-to-long term corporate value.

The ratio of Outside Directors to all members of the Board of Directors will be one third or more. The Company believes that this will ensure balance and diversification of the entire Board in their knowledge, experience and competencies.

The requirements for Director are specified in the “Skill Matrix” (see page 25), and the Company refers to this in selecting suitable candidates for Director.

Candidates for Directors were decided upon receiving a report from the “Nomination and Compensation Committee” (see page 23).

In addition, all candidates for Outside Directors satisfy the requirements of the “Independence Standards for Outside Officers” (see page 26).

The candidates for Director are as follows:

Candidate No.	Name	Current position and assignment in the Company	Attendance at Board of Directors meetings
1	Shuichi Watanabe	Representative Director, President and CEO, Chief Compliance Officer  (Nomination Committee Member of the Nomination and Compensation Committee)	100% (13/13)
2	Yasuhiro Choufuku	Director, Vice President in charge of Pharmaceutical Sales	100% (13/13)
3	Toshihide Yoda	Senior Managing Director, in charge of IR, General Manager, Business Development Division, and Manager, Business Investment Department, Business Development Division  (Compensation Committee Member of the Nomination and Compensation Committee)	100% (13/13)
4	Yuji Sakon	Managing Director, General Manager, Administration Division, and Chairman, CSR Committee  (Nomination and Compensation Committee Member)	100% (13/13)
5	Takuro Hasegawa	Director, in charge of Business Planning	100% (13/13)
6	Shinjiro Watanabe	Director, General Manager, Information Systems Management Division	100% (13/13)

7	Koichi Mimura		Outside Director (Nomination and Compensation Committee Member)	100% (10/10)
8	Seiichi Kasutani		Director	100% (13/13)
9	Mitsuko Kagami	Candidate for Outside Director	Outside Director (Nomination and Compensation Committee Member)	100% (13/13)
10	Toshio Asano	Candidate for Outside Director	Outside Director (Chairman of the Nomination and Compensation Committee)	92% (12/13)
11	Kuniko Shoji	Candidate for Outside Director	Outside Director (Nomination and Compensation Committee Member)	100% (13/13)
12	Hiroshi Iwamoto	New Candidate	Candidate for Outside Director	—

(Note) Koichi Mimura is currently an Outside Director. If his re-election is approved, the Company will have him involved in operational execution as a Director.

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
1	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-bottom: 10px;"> Nomination Committee Member of the Nomination and Compensation Committee </div> <b>Shuichi Watanabe</b> (April 11, 1952)  Attendance at Board of Directors meetings 100% (13/13)	Aug. 1979      Joined KURAYA CORPORATION (now the Company) Dec. 1990      Director of KURAYA CORPORATION Dec. 1994      Managing Director of KURAYA CORPORATION Apr. 2000      Director of KURAYA SANSEIDO Inc. (now the Company) Apr. 2004      President and Chief Executive Officer of KURAYA SANSEIDO Spin-off Preparation Inc. (now MEDICEO CORPORATION) Jun. 2007      Managing Director of Mediceo Paltac Holdings Co., Ltd. (now the Company) Jun. 2008      Senior Managing Director of Mediceo Paltac Holdings Co., Ltd. Apr. 2011      Representative Director, Executive Vice President of the Company Apr. 2012      Representative Director, President and CEO of the Company (current position) Representative Director, Chairman of MEDICEO CORPORATION (current position) Jun. 2020      Chief Compliance Officer (current position)	167,100
<b>Status of important concurrent occupations or positions outside the Company</b>			
Representative Director, Chairman of MEDICEO CORPORATION			
<b>Reasons for Proposal as Candidate</b>			
<p>Mr. Shuichi Watanabe has led the management of the MEDIPAL Group as Representative Director, President and CEO of the Company, has appropriately run the Board of Directors as Chairman, and has appropriately overseen the operational execution of the Directors.</p> <p>Since his assumption of the position as Representative Director, President and CEO in April 2012, he has pushed even more strongly for the transformation of existing businesses and the creation of new businesses.</p> <p>Going forward, with regard to the initiative to realize further expansion of the earnings base and sustainable growth, based on the 2022 MEDIPAL Medium-Term Vision formulated in May 2019, as a member of top management who is Chief Compliance Officer and taking the lead in moving forward with compliance management, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.</p>			
<b>Special Interest</b>			
There is no special interest between Mr. Shuichi Watanabe and the Company.			

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
2	<b>Yasuhiro Choufuku</b> (December 8, 1954)  Attendance at Board of Directors meetings 100% (13/13)	Apr. 1977      Joined Sanseido Co., Ltd. (now the Company) Jul. 2004      Executive Officer of KURAYA SANSEIDO Inc. (now the Company) Jun. 2007      Director of Mediceo Paltac Holdings Co., Ltd. (now the Company) Oct. 2009      Director of MEDICEO CORPORATION Jun. 2010      Managing Director of MEDICEO CORPORATION Apr. 2012      Representative Director, President and CEO of MEDICEO CORPORATION (current position) Jun. 2012      In charge of Pharmaceutical Business of the Company (current position) Jun. 2016      Senior Managing Director of the Company Jun. 2019      Director, Vice President of the Company (current position)	48,700
<b>Status of important concurrent occupations or positions outside the Company</b> Representative Director, President and CEO of MEDICEO CORPORATION			
<b>Reasons for Proposal as Candidate</b> Mr. Yasuhiro Choufuku has deep insight in the Pharmaceutical Business, a core business of the MEDIPAL Group and he has been involved in operational execution as Representative Director, President and CEO of our subsidiary MEDICEO CORPORATION, working to improve performance of the MEDIPAL Group. As Representative Director, President and CEO of our subsidiary MEDICEO CORPORATION, he seriously responded to the on-site investigation by the Japan Fair Trade Commission in November 2019, and has taken the lead in moving forward with compliance management. Going forward, with regard to ensuring even more comprehensive compliance and building a solid structure as a company that is trusted by society, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.			
<b>Special Interest</b> There is no special interest between Mr. Yasuhiro Choufuku and the Company.			



No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
3	<div> <div>Compensation Committee Member of the Nomination and Compensation Committee</div> <div><b>Toshihide Yoda</b> (January 8, 1963)</div> <div>Attendance at Board of Directors meetings 100% (13/13)</div> </div>	<div> <div>Apr. 1985 May 1989 Jul. 1996 Dec. 2000 Oct. 2008</div> <div> Joined Nippon Kangyo Kakumaru Securities Co., Ltd.  Joined UBS Securities Japan Co., Ltd.  Joined ING Baring Securities (Japan) Limited  Joined Lehman Brothers Japan Inc.  Joined Barclays Capital Japan Limited  Managing Director of Barclays Capital Japan Limited </div> </div> <div> <div>Jun. 2010 Apr. 2012</div> <div> Director of the Company  Managing Director,  In charge of IR, General Manager, Business Development Division of the Company (current position) </div> </div> <div> <div>May 2016 Jun. 2016</div> <div> Director of SPLine Corporation  Director of MEDIE Co., Ltd.  Director of MEDICEO CORPORATION (current position) </div> </div> <div> <div>Feb. 2018 Jun. 2018</div> <div> Director of JCR USA, Inc. (current position)  Senior Managing Director of the Company (current position)  Outside Director of JCR Pharmaceuticals Co., Ltd. (current position) </div> </div> <div> <div>Jan. 2020</div> <div> Manager, Business Investment Department,  Business Development Division of the Company (current position) </div> </div> <div> <div>May 2021</div> <div> Director of PharField Corporation (current position) </div> </div>	10,800
<b>Status of important concurrent occupations or positions outside the Company</b> Director of MEDICEO CORPORATION Director of JCR USA, Inc. Outside Director of JCR Pharmaceuticals Co., Ltd. Director of PharField Corporation			
<b>Reasons for Proposal as Candidate</b> Mr. Toshihide Yoda has utilized his insight developed as a pharmaceuticals sector analyst in the financial industry to the fullest extent and been getting steady results in driving the creation of new businesses for the MEDIPAL Group. Going forward, with regard to the initiative to create a new business model that will not be bound by existing frameworks, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.			
<b>Special Interest</b> There is no special interest between Mr. Toshihide Yoda and the Company.			

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
4	<div style="border: 1px solid black; padding: 5px; width: fit-content;"> Nomination and Compensation Committee Member </div> <p><b>Yuji Sakon</b> (May 8, 1953)</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p>	<p>Apr. 1977      Joined Sanseido Co., Ltd. (now the Company)</p> <p>Jul. 2008      Executive Officer of KURAYA SANSEIDO Inc. (now MEDICEO CORPORATION)</p> <p>Apr. 2012      Executive Officer of the Company</p> <p>Jun. 2012      Director of the Company</p> <p>Oct. 2012      Chairman, CSR Committee of the Company (current position)</p> <p>Jun. 2013      General Manager, Administration Division of the Company (current position)</p> <p>Jan. 2016      Director of ASTEC Co., Ltd. (current position)</p> <p>Jun. 2017      Director of MM CORPORATION (current position)</p> <p>Apr. 2018      Manager, Corporate Planning and Public Relations Department, Administration Division of the Company</p> <p>Jun. 2018      Managing Director of the Company (current position)</p> <p>Jan. 2020      Director of YAKUJU HOLDINGS, Inc. (current position)</p>	20,000
<b>Status of important concurrent occupations or positions outside the Company</b> Director of ASTEC Co., Ltd. Director of MM CORPORATION Director of YAKUJU HOLDINGS, Inc.			
<b>Reasons for Proposal as Candidate</b> Mr. Yuji Sakon has thorough knowledge of the MEDIPAL Group's operations and has worked in his role as the General Manager of the Administration Division of the Company to ensure the sound governance of the MEDIPAL Group, leveraging his insights into management and his extensive experience. Going forward, with regard to using ESG and SDGs initiatives to achieve a sustainable economic society, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.			
<b>Special Interest</b> There is no special interest between Mr. Yuji Sakon and the Company.			

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)		Number of the Company's shares held	
5	<b>Takuro Hasegawa</b> (July 3, 1956)  Attendance at Board of Directors meetings 100% (13/13)	Aug. 1987	Joined Osuido Pharmaceuticals Co., Ltd. (now EVERLTH Co., Ltd.)	138,505	
		Nov. 1990	Director of Osuido Pharmaceuticals Co., Ltd.		
		Apr. 1991	Director of OAK Yakuhin Co., Ltd. (now EVERLTH Co., Ltd.)		
		Oct. 1997	Director of EVERLTH Co., Ltd.		
		Oct. 2004	Director of MEDICEO Holdings Co., Ltd. (now the Company) (current position)		
		Jun. 2009	Director of EVERLTH Co., Ltd.		
		Apr. 2011	Representative Director, President and CEO of EVERLTH Co., Ltd. (current position)		
		Oct. 2012	In charge of Liaison of the Company		
		Jun. 2019	In charge of Business Planning of the Company (current position)		
	<b>Status of important concurrent occupations or positions outside the Company</b> Representative Director, President and CEO of EVERLTH Co., Ltd.				
<b>Reasons for Proposal as Candidate</b> Mr. Takuro Hasegawa has worked as the person in charge of Business Planning to promote business growth strategies of the MEDIPAL Group and been involved in operational execution as the Representative Director, President and CEO of our subsidiary EVERLTH Co., Ltd., working in improving performance of the MEDIPAL Group. Going forward, with regard to the initiative to promote its business plans, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.					
<b>Special Interest</b> There is no special interest between Mr. Takuro Hasegawa and the Company.					
6	<b>Shinjiro Watanabe</b> (October 28, 1972)  Attendance at Board of Directors meetings 100% (13/13)	Sep. 2008	Joined ATOL CO., LTD.	27,000	
		Jun. 2009	Director of ATOL CO., LTD.		
		Apr. 2013	Representative Director, President and CEO of ATOL CO., LTD. (current position)		
		Jun. 2013	Director of the Company (current position)		
		Jun. 2016	In charge of the IT Business of the Company		
		Apr. 2018	In charge of Information System of the Company		
		Oct. 2018	General Manager, Information Systems Management Division of the Company (current position)		
	<b>Status of important concurrent occupations or positions outside the Company</b> Representative Director, President and CEO of ATOL CO., LTD.				
	<b>Reasons for Proposal as Candidate</b> Mr. Shinjiro Watanabe has supervised the MEDIPAL Group's System as General Manager of Information Systems Management Division and been involved in operational execution as the Representative Director, President and CEO of our subsidiary ATOL CO., LTD., working in improving performance of the MEDIPAL Group. Going forward, with regard to the initiative to provide new value in the field of digital healthcare, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.				
<b>Special Interest</b> There is no special interest between Mr. Shinjiro Watanabe and the Company.					

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
7	<div>Nomination and Compensation Committee Member</div> <p><b>Koichi Mimura</b> (October 8, 1957)</p> <p>Attendance at Board of Directors meetings 100% (10/10)</p>	<p>Oct. 1987      Joined Sumitomo 3M Limited (now 3M Japan Limited)</p> <p>Feb. 2006      President of 3M Indonesia</p> <p>Feb. 2009      Executive Director, Director in charge of Industrial Markets of Sumitomo 3M Limited (now 3M Japan Limited)</p> <p>Mar. 2010      Director in charge of the Industrial and Transportation Business of Sumitomo 3M Limited</p> <p>Apr. 2012      President of Sumitomo 3M Limited President of 3M Health Care Limited</p> <p>Sep. 2014      President of 3M Japan Limited</p> <p>Sep. 2016      Vice President, Electronics Assembly Solutions of 3M Corporate Headquarters (U.S.)</p> <p>Nov. 2018      Business Director in charge of the Transportation and Electronics Business of 3M Asia Pacific</p> <p>Jun. 2020      Outside Director of the Company (current position)</p>	—
<b>Status of important concurrent occupations or positions outside the Company</b> —			
<b>Reasons for Proposal as Candidate</b> Mr. Koichi Mimura has served as President of 3M Indonesia and President, etc. of 3M Japan Limited. He also has served as Business Director in charge of the Global Electronics Business at 3M Corporate Headquarters in the U.S. Mr. Koichi Mimura is currently an Outside Director, and he has been applying his abundant experience and wide-ranging insights in relation to global management in supervision of the Company's management. However, the Company believes his abundant experience and wide-ranging insights can be applied to the full extent in operational execution as Director, for the purpose of the sustainable growth and further expansion of the revenue base of the MEDIPAL Group, and he is therefore suitable as a candidate for Director.			
<b>Special Interest</b> There is no special interest between Mr. Koichi Mimura and the Company.			
(Note) Mr. Koichi Mimura is currently an Outside Director. If his re-election is approved, the Company will have him involved in operational execution as a Director.			

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
8	<b>Seiichi Kasutani</b> (September 22, 1962)  Attendance at Board of Directors meetings 100% (13/13)	Apr. 1985      Joined PALTAC CORPORATION Jun. 2011      Executive Officer, General Manager of Yokohama Branch Office of PALTAC CORPORATION Apr. 2013      Managing Executive Officer, General Manager of Yokohama Branch Office of PALTAC CORPORATION Jun. 2014      Director, Managing Executive Officer, General Manager of Yokohama Branch Office of PALTAC CORPORATION Jun. 2016      Managing Executive Officer, General Manager of Sales Headquarters of PALTAC CORPORATION Jun. 2017      Director, Senior Managing Executive Officer, General Manager of Sales Headquarters of PALTAC CORPORATION Apr. 2018      Director, Vice President, Executive Officer, Senior General Manager of Sales Headquarters of PALTAC CORPORATION Dec. 2018      Representative Director, President, COO, Senior General Manager of Sales Headquarters of PALTAC CORPORATION Apr. 2019      Representative Director, President, COO of PALTAC CORPORATION (current position) Jun. 2019      Director of the Company (current position)	—
<b>Status of important concurrent occupations or positions outside the Company</b> Representative Director, President, COO of PALTAC CORPORATION			
<b>Reasons for Proposal as Candidate</b> Mr. Seiichi Kasutani has extensive experience in the Cosmetics, Daily Necessities, and OTC Pharmaceutical Wholesale Business, one of the core businesses of the MEDIPAL Group, and has been involved in operational execution as Representative Director, President, COO of our subsidiary PALTAC CORPORATION, and has worked to improve the performance of the MEDIPAL Group. Going forward, by steadily implementing PALTAC's medium-term business plan, the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to continue in the role of Director.			
<b>Special Interest</b> There is no special interest between Mr. Seiichi Kasutani and the Company.			

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
9	<div>Candidate for Outside Director</div> <div>Nomination and Compensation Committee Member</div> <p><b>Mitsuko Kagami</b> (May 18, 1958)</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p>	<p>Apr. 1985      Assistant Judge of Tokyo District Court</p> <p>Apr. 1988      Assistant Judge of Akita District and Family Court</p> <p>Apr. 1991      Assistant Judge of Yokohama District Court</p> <p>Jan. 1995      Registered as an attorney at law</p> <p>Apr. 1998      Part-time Lecturer of Faculty of Law of Keio University</p> <p>Apr. 2000      Part-time Lecturer of Faculty of Law of Toin University of Yokohama</p> <p>Apr. 2004      Professor of Keio University Law School</p> <p>Apr. 2007      Part-time Lecturer of Keio University Law School</p> <p>Jun. 2014      Outside Director of the Company (current position)</p> <p>Jun. 2015      Outside Director of Sotetsu Holdings Inc. (current position)</p>	900
	<b>Status of important concurrent occupations or positions outside the Company</b> Attorney at law (Kagami Law Office) Outside Director of Sotetsu Holdings Inc.		
	<b>Reasons for Proposal as Candidate, and Overview of Expected Role</b> Ms. Mitsuko Kagami has been applying the abundant experience she has developed through her work as an attorney at law and her specialized knowledge of corporate law to provide valuable opinions and appropriate advice from a broad perspective at meetings of the Board of Directors of the Company. Furthermore, since November 2019, when MEDICEO CORPORATION, the Company's wholly owned subsidiary to be consolidated, was suspected of being in violation of the Anti-Monopoly Act and subsequently subject to an on-site investigation by the Japan Fair Trade Commission, Ms. Mitsuko Kagami has been providing valuable opinions and appropriate advice on ensuring comprehensive compliance, and has been duly fulfilling her duties as an Outside Director in this and other ways. Moreover, as a member of the Nomination and Compensation Committee, she has also been providing valuable opinions and appropriate advice to enhance corporate governance. Accordingly, although Ms. Mitsuko Kagami has never been involved in the management of a company except in her role as an Outside Director, based on the aforementioned reasons, the Company believes that she can suitably perform her duties as an Outside Director, and therefore is suitable to continue in the role of Outside Director.		
	<b>Special Interest</b> There is no special interest between Ms. Mitsuko Kagami and the Company.		
	<b>Items Related to Independence</b> <ul style="list-style-type: none"> <li>• The Company has appointed Ms. Kagami as an independent officer as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified the Exchange to that effect. If Ms. Kagami is re-elected, the Company will continue to have her as an independent officer.</li> <li>• Ms. Kagami is an attorney at law at Kagami Law Office, which does not provide any services to or otherwise have a business relationship with the Company.</li> <li>• There are no business relationship between the Group and Sotetsu Holdings Inc. where Ms. Kagami currently serves as an Outside Director.</li> </ul>		
	<b>Term of office as Outside Director</b> 7 years (at the close of this General Meeting of Shareholders)		

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
	<div>Candidate for Outside Director</div> <div>Chairman of the Nomination and Compensation Committee</div> <p><b>Toshio Asano</b> (December 4, 1952)</p> <p>Attendance at Board of Directors meetings 92% (12/13)</p>	<p>Apr. 1975      Joined Asahi Kasei Corporation</p> <p>Oct. 2003      Executive Officer of Asahi Kasei Pharma Corporation</p> <p>Apr. 2008      Director and Senior Executive Officer of Asahi Kasei Pharma Corporation</p> <p>Apr. 2010      President &amp; Representative Director and Presidential Executive Officer of Asahi Kasei Pharma Corporation</p> <p>Apr. 2011      Executive Officer of Asahi Kasei Corporation</p> <p>Apr. 2014      Presidential Executive Officer of Asahi Kasei Corporation</p> <p>Jun. 2014      President &amp; Representative Director of Asahi Kasei Corporation</p> <p>Apr. 2016      Director of Asahi Kasei Corporation</p> <p>Jun. 2016      Permanent Consultant of Asahi Kasei Corporation (current position)</p> <p>Aug. 2016      Advisor of the Company</p> <p>Jun. 2017      Outside Director of the Company (current position)</p> <p>Jun. 2019      Outside Director of Daicel Corporation (current position) Outside Director of Tokyo Century Corporation (current position)</p>	3,700
<b>Status of important concurrent occupations or positions outside the Company</b> Permanent Consultant of Asahi Kasei Corporation Outside Director of Daicel Corporation Outside Director of Tokyo Century Corporation			
10	<b>Reasons for Proposal as Candidate, and Overview of Expected Role</b> Mr. Toshio Asano has served as President & Representative Director, etc. of Asahi Kasei Pharma Corporation and Asahi Kasei Corporation. Based on his abundant experience and wide-ranging insights in relation to company management, at meetings of the Board of Directors of the Company he expresses valuable opinions and appropriate advice from an objective and specialized viewpoint. Furthermore, since November 2019, when MEDICEO CORPORATION, the Company's wholly owned subsidiary to be consolidated, was suspected of being in violation of the Anti-Monopoly Act and subsequently subject to an on-site investigation by the Japan Fair Trade Commission, Mr. Toshio Asano has been playing a leading role such as by providing proposals on viable initiatives for ensuring comprehensive compliance, and has been duly fulfilling his duties as an Outside Director. Moreover, as a chairman of the Nomination and Compensation Committee, he has also been making earnest efforts to enhance corporate governance. Based on the aforementioned reasons, the Company believes that Mr. Toshio Asano can suitably perform his duties as an Outside Director, and therefore is suitable to continue in the role of Outside Director.		
	<b>Special Interest</b> There is no special interest between Mr. Toshio Asano and the Company.		
	<b>Items Related to Independence</b> <ul style="list-style-type: none"> <li>• The Company has appointed Mr. Asano as an independent officer as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified the Exchange to that effect. If Mr. Asano is re-elected, the Company will continue to have him as an independent officer.</li> <li>• The MEDIPAL Group has transactions relating to the purchasing, etc. of pharmaceutical products, etc. with Asahi Kasei Pharma Corporation, a subsidiary of Asahi Kasei Corporation, where Mr. Asano served as President &amp; Representative Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent.</li> <li>• The MEDIPAL Group has transactions relating to the purchasing of products with Daicel Corporation, where Mr. Asano currently serves as an Outside Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent.</li> </ul>		

• The MEDIPAL Group has transactions relating to the sales of products, etc. with Tokyo Century Corporation, where Mr. Asano currently serves as an Outside Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent.

**Term of office as Outside Director**

4 years (at the close of this General Meeting of Shareholders)



No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
11	<div>Candidate for Outside Director</div> <div>Nomination and Compensation Committee Member</div> <p><b>Kuniko Shoji</b> (January 8, 1954)</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p>	<p>Apr. 1977      Joined Mochida Pharmaceutical Co., Ltd.</p> <p>Jul. 1986      Joined Johnson &amp; Johnson K.K.</p> <p>Sep. 2002      Joined Terumo Corporation</p> <p>Jun. 2004      Executive Officer of Terumo Corporation</p> <p>Jun. 2007      Senior Executive Officer of Terumo Corporation</p> <p>Jun. 2010      Director and Senior Executive Officer of Terumo Corporation</p> <p>Apr. 2017      Director and Corporate Advisor of Terumo Corporation</p> <p>Jun. 2017      Corporate Advisor of Terumo Corporation</p> <p>Jun. 2018      Outside Director of the Company (current position) Outside Director of Nichirei Corporation (current position)</p> <p>Mar. 2019      Outside Director of DIC Corporation (current position)</p> <p>Apr. 2019      Professor of Graduate School of Health Innovation Studies of Kanagawa University of Human Services (current position)</p>	—
	<b>Status of important concurrent occupations or positions outside the Company</b> Outside Director of Nichirei Corporation Outside Director of DIC Corporation Professor of Graduate School of Health Innovation Studies of Kanagawa University of Human Services		
	<b>Reasons for Proposal as Candidate, and Overview of Expected Role</b> In addition to serving as a Director, etc. of Terumo Corporation, Ms. Kuniko Shoji has also been responsible for the pharmaceutical and clinical development departments of that company. Based on her abundant experience and wide-ranging insights, at meetings of the Board of Directors of the Company, she expresses valuable opinions and appropriate advice from an objective and specialized viewpoint. Furthermore, since November 2019, when MEDICEO CORPORATION, the Company's wholly owned subsidiary to be consolidated, was suspected of being in violation of the Anti-Monopoly Act and subsequently subject to an on-site investigation by the Japan Fair Trade Commission, Ms. Kuniko Shoji has been providing valuable opinions and appropriate advice on ensuring comprehensive compliance, and has been duly fulfilling her duties as an Outside Director in this and other ways. Moreover, as a member of the Nomination and Compensation Committee, she has also been providing valuable opinions and appropriate advice to enhance corporate governance. Based on the aforementioned reasons, the Company believes that Ms. Kuniko Shoji can suitably perform her duties as an Outside Director, and therefore is suitable to continue in the role of Outside Director.		
	<b>Special Interest</b> There is no special interest between Ms. Kuniko Shoji and the Company.		
	<b>Items Related to Independence</b> <ul style="list-style-type: none"> <li>• The Company has appointed Ms. Shoji as an independent officer as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified the Exchange to that effect. If Ms. Shoji is re-elected, the Company will continue to have her as an independent officer.</li> <li>• The MEDIPAL Group has transactions relating to the purchasing, etc. of medical equipment, etc. with Terumo Corporation, where Ms. Shoji served as a Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent.</li> <li>• The MEDIPAL Group has transactions relating to the purchasing of products with Nichirei Corporation, where Ms. Shoji currently serves as an Outside Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent.</li> <li>• The MEDIPAL Group has transactions relating to the sales of products with DIC Corporation, where Ms. Shoji currently serves as an Outside Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent.</li> <li>• Although Ms. Shoji is a professor of Graduate School of Health Innovation Studies of Kanagawa University of Human Services, there are no special interest between the Group and the university.</li> </ul>		

	<b>Term of office as Outside Director</b> 3 years (at the close of this General Meeting of Shareholders)
--	---

No.	Name (Date of birth)	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)	Number of the Company's shares held
12	<div>New Candidate</div> <div>Candidate for Outside Director</div> <p><b>Hiroshi Iwamoto</b> (February 20, 1959)</p> <p>Attendance at Board of Directors meetings —</p>	<p>Apr. 1981      Joined The Dai-Ichi Kangyo Bank, Limited (now Mizuho Bank, Ltd.)</p> <p>Oct. 2004      Senior Research Fellow, Deputy General Manager of Research Division, Chief Economist of Mizuho Research Institute Ltd.</p> <p>Jun. 2009      Managing Executive Officer, Deputy General Manager of Research Division of Mizuho Research Institute Ltd.</p> <p>Apr. 2010      Managing Executive Officer, General Manager of Planning &amp; Administration Division of Mizuho Research Institute Ltd.</p> <p>Apr. 2017      Lecturer of Musashino Academia Musicae Senior Managing Executive Officer, General Manager of Planning &amp; Administration Division of Mizuho Research Institute Ltd.</p> <p>May 2019      Advisor of Chuo Fudosan Co., Ltd. (now Chuo-Nittochi Co., Ltd.) (current position)</p> <p>Jun. 2019      Outside Statutory Auditor of Morinaga &amp; Co., Ltd. (current position)</p>	—
	<b>Status of important concurrent occupations or positions outside the Company</b>		
	Advisor of Chuo-Nittochi Co., Ltd.		
	Outside Statutory Auditor of Morinaga & Co., Ltd.		
	<b>Reasons for Proposal as Candidate, and Overview of Expected Role</b>		
	Mr. Hiroshi Iwamoto has experience in personnel management and financial affairs accumulated in the financial industry, as well as abundant management experience in the information and communications industry. The Company believes that he will leverage his abundant experience and wide-ranging insights to provide advice in relation to overall management and strengthen the supervisory function of the Board of Directors, and is therefore suitable for appointment as an Outside Director.		
	<b>Special Interest</b>		
	There is no special interest between Mr. Hiroshi Iwamoto and the Company.		
	<b>Items Related to Independence</b>		
	<ul style="list-style-type: none"> <li>• Mr. Iwamoto satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange Inc., and if he is elected, the Company plans to submit notification to the aforementioned exchange concerning his appointment as an independent officer.</li> <li>• Mr. Iwamoto was previously employed at Mizuho Bank, Ltd., but the MEDIPAL Group has no balance of borrowings from Mizuho Bank, Ltd.</li> <li>• The MEDIPAL Group has transactions relating to the purchasing of products with Morinaga &amp; Co., Ltd., where Mr. Iwamoto currently serves as an Outside Statutory Auditor, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Mr. Iwamoto as independent.</li> </ul>		

## ■Other Important Items

### [Overview of Limited Liability Agreement]

The Company has entered into an agreement with the Outside Directors to limit their liability as provided for in Article 427, paragraph (1) of the Companies Act, and the amount of the liability limitation under the agreement is the minimum amount stipulated by laws and regulations. If the candidates are re-elected, the Company plans to continue the agreement with each of them. If Mr. Hiroshi Iwamoto is elected, the Company plans to enter into the same agreement with him to limit his liability, as provided for in Article 427, paragraph (1) of the Companies Act.

### [Overview of Indemnity Agreement]

In accordance with a resolution passed at the Board of Directors Meeting held on March 9, 2021, the Company has enacted the Basic Policy on Corporate Indemnity. In accordance with the provisions of Article 430-2, paragraph (1) of the Companies Act, this Policy stipulates the Company will cover all or part of the expenses relating to disputes, etc. compensation for damages, and settlement money. If the candidates are re-elected and Mr. Hiroshi Iwamoto is elected, the Company will deem that it has reached an agreement with each of them in regard to indemnity in accordance with the Policy.

### [Overview of Directors and Officers Liability Insurance Agreement]

The Company has entered into a Directors and Officers liability insurance agreement with an insurance company stipulated in Article 430-3, paragraph (1) of the Companies Act. This insurance agreement will cover compensation for damages and costs of litigation, etc., incurred by the insured persons, due to claims made for damages arising from the actions of the insured persons based on their position as Directors and Officers of the Company. The premiums of this insurance agreement will be covered in full by the Company and its subsidiaries. If the candidates are re-elected and Mr. Hiroshi Iwamoto is elected, the Company will deem that all of them will be included in the insured persons of this insurance agreement. Furthermore, in the next renewal period, the Company will renew this insurance agreement with the same contents.

**Proposal 2 Election of One Audit & Supervisory Board Member**

The term of office of Audit & Supervisory Board Member Mr. Tomoyasu Toyoda will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company therefore proposes the election of one audit & supervisory board member.

This proposal has been approved by the Audit & Supervisory Board.

The candidate for the Audit & Supervisory Board Member satisfies the “Independence Standards for Outside Officers” (see page 26).

The candidate for Audit & Supervisory Board Member is as follows:

Candidate	Career summary, and position and assignment (Status of important concurrent occupations or positions outside the Company)		Number of the Company's shares held
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Candidate for Outside Audit &amp; Supervisory Board Member</div> <p><b>Tomoyasu Toyoda</b> (January 12, 1950)</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p> <p>Attendance at Audit &amp; Supervisory Board 100% (13/13)</p>	<p>Apr. 1972 Jun. 2003</p> <p>Jun. 2005 Jun. 2007 Jun. 2009</p> <p>Dec. 2009</p> <p>Apr. 2014</p> <p>Jun. 2017</p> <p>May 2018</p>	<p>Joined Ajinomoto Co., Inc. Corporate Executive Officer of Ajinomoto Co., Inc.</p> <p>Corporate Vice President of Ajinomoto Co., Inc. Member of the Board of Ajinomoto Co., Inc. Corporate Senior Vice President of Ajinomoto Co., Inc.</p> <p>President and CEO of Ajinomoto Pharmaceuticals Co., Ltd. (now EA Pharma Co., Ltd.) Advisor of K.F.Planning Co., Ltd. (current position)</p> <p>Outside Audit &amp; Supervisory Board Member of the Company (current position) Audit &amp; Supervisory Board Member of Nobelpharma Co., Ltd. (current position)</p>	1,400
<b>Status of important concurrent occupations or positions outside the Company</b> Advisor of K.F.Planning Co., Ltd. Audit & Supervisory Board Member of Nobelpharma Co., Ltd.			
<b>Reasons for Proposal as Candidate</b> Mr. Tomoyasu Toyoda has served as the President and CEO of Ajinomoto Pharmaceuticals Co., Ltd. (now EA Pharma Co., Ltd.), and held other positions. The Company believes he will apply his abundant experience and wide-ranging insights in relation to corporate management in the audit of the Company, and is therefore suitable for appointment as an Outside Audit & Supervisory Board Member.			
<b>Special Interest</b> There is no special interest between Mr. Tomoyasu Toyoda and the Company.			
<b>Items Related to Independence</b> <ul style="list-style-type: none"> <li>• There is no special interest between Mr. Toyoda and the Company, and there is no risk of a conflict of interest with general shareholders. Therefore, he satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange Inc., and the Company plans to submit a notification to the aforementioned exchange concerning his appointment as an independent officer. If Mr. Toyoda is re-elected, the Company will continue to have him as an independent officer.</li> <li>• Mr. Toyoda has previously served as the President and CEO of Ajinomoto Pharmaceuticals Co., Ltd. (now EA Pharma Co., Ltd.). The MEDIPAL Group has transactions relating to the purchasing, etc. of pharmaceutical products, etc. with EA Pharma Co., Ltd. However, due to the fact that the amounts of these transactions with the MEDIPAL Group are less than 2% of the MEDIPAL Group's consolidated sales, we regard Mr. Toyoda as being independent. Mr. Toyoda is also an Audit &amp; Supervisory Board Member of Nobelpharma Co., Ltd., which is an affiliate of the Company. He is also an Advisor of K.F.Planning Co., Ltd.; however, there is no special interest between K.F.Planning Co., Ltd. and the Company.</li> </ul>			
<b>Term of office as Outside Audit &amp; Supervisory Board Member</b> 4 years (at the close of this General Meeting of Shareholders)			

## ■Other Important Items

### [Overview of Limited Liability Agreement]

The Company has entered into an agreement with Mr. Tomoyasu Toyoda to limit his liability as provided for in Article 427, paragraph (1) of the Companies Act, and the amount of the liability limitation under the agreement is the minimum amount stipulated by laws and regulations. If he is re-elected, the Company plans to continue the agreement.

### [Overview of Indemnity Agreement]

In accordance with a resolution passed at the Board of Directors Meeting held on March 9, 2021, the Company has enacted the Basic Policy on Corporate Indemnity. In accordance with the provisions of Article 430-2, paragraph (1) of the Companies Act, this Policy stipulates the Company will cover all or part of the expenses relating to disputes, etc. compensation for damages, and settlement money. If Mr. Tomoyasu Toyoda is re-elected, the Company will deem that it has reached an agreement with him in regard to indemnity in accordance with the Policy.

### [Overview of Directors & Officers Liability Insurance Agreement]

The Company has entered into a Directors & Officers liability insurance agreement with an insurance company stipulated in Article 430-3, paragraph (1) of the Companies Act. This insurance agreement will cover compensation for damages and costs of litigation, etc., incurred by the insured persons, due to claims made for damages arising from the actions of the insured persons based on their position as Directors & Officers of the Company. The premiums of this insurance agreement will be covered in full by the Company and its subsidiaries. If Mr. Tomoyasu Toyoda is re-elected, the Company will deem that he will be included in the insured persons of this insurance agreement. Furthermore, in the next renewal period, the Company will renew this insurance agreement with the same contents.

## **[Reference]**

### **[Nomination and Compensation Committee]**

#### **1. Purpose**

The Company has established its voluntary “Nomination and Compensation Committee” as an advisory body to the Board of Directors with the aim of strengthening the fairness, transparency and objectivity of procedures related to the nomination of and compensation for Directors, and enhancing corporate governance.

#### **2. Roles**

The Nomination and Compensation Committee shall deliberate the following matters in response to consultation by and report to the Board of Directors.

##### **(1) Matters related to nomination**

- (i) Policy for the election and dismissal of Directors**
- (ii) Matters related to the election and dismissal of Directors (matters requiring resolution by the General Meeting of Shareholders)**
- (iii) Matters related to the appointment and removal of Representative Directors**
- (iv) Matters related to the appointment and removal of Directors with special titles**
- (v) Matters related to succession planning**

##### **(2) Matters related to compensation**

- (i) Policy related to Directors’ compensation, etc.**
- (ii) Matters related to the maximum compensation amount for Directors (matters requiring resolution by the General Meeting of Shareholders)**
- (iii) Matters related to individual compensation for Directors**

##### **(3) Other important management matters deemed necessary by the Board of Directors**

#### **3. Composition**

The Nomination and Compensation Committee is composed of three or more members appointed by resolution of the Board of Directors, the majority of whom are Outside Directors, and is chaired by an Outside Director.

[Policy for the election of Directors]

(i) Policy for the election of Directors

The basic policy of the Group is to elect as Directors people who will reliably work on compliance and lead by example, and who have abundant experience, a high degree of insight and advanced specialization in order to contribute to the sustainable development of the Group and the increase of corporate value in the medium to long term.

a) Inside Directors

Candidates shall be selected from among people who have work experience and capabilities related to corporate management, healthcare, M&A, governance, IT, etc., and possess leadership suitable to the realization of the Group's corporate philosophy as a person involved with management decision-making and the supervision of business execution, as well as a medium to long term perspective, taking personality, experience, etc. into consideration.

b) Outside Director

Candidates shall be selected from among people who have knowledge and abundant experience related to corporate management, healthcare, finance and accounting, legal affairs, internationalism, etc., taking personality, status of concurrent positions held at other companies as an officer, etc. into consideration.

In principle, the total term limit shall be up to eight or twelve years at most (Audit & Supervisory Board Member term limit of four years x two or three terms), with the requirement that officers cannot currently be appointed at four or more listed companies.

Furthermore, even if the candidate does not fulfill the prescribed requirement for independence, a person with a high level of insight and an advanced ethical perspective may be appointed as a candidate. However, even in this situation, the ratio of independent Outside Directors is one third or more.

(ii) Procedure to elect Directors

Candidates for Directors shall be presented for voting at the General Meeting of Shareholders upon deliberation and reports by the Nomination and Compensation Committee (majority of committee members are Outside Directors, and an Outside Director acts as Committee Chair), and resolution by the Board of Directors.

Representative Directors and Directors with special titles shall be appointed by the Board of Directors upon deliberation and reports by the Nomination and Compensation Committee.

(iii) Procedure to dismiss Directors

If a Director commits an act that violates laws and regulations or the Articles of Incorporation, or if it is determined that they are not adequately fulfilling their responsibilities due to negligence of their duties, this matter shall be deliberated by the Board of Directors upon fair and strict deliberation by the Nomination and Compensation Committee.



<Skill Matrix> (Scheduled for after this General Meeting of Shareholders)

Roles	Name	Expertise & Experience								
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
		Management Experience	Sales Marketing	Medical & Pharmaceuticals Public Interest	Finance Accounting Monetary M&A	Legal Governance	IT DX	Personnel/ Labor Management Human Resource Development	Global	Sustainability
Representative Director, President and CEO	Shuichi Watanabe	•	•							
Director, Vice President	Yasuhiro Choufuku	•	•							
Senior Managing Director	Toshihide Yoda	•			•				•	
Managing Director	Yuji Sakon	•	•			•				•
Director	Takuro Hasegawa	•		•						
Director	Shinjiro Watanabe	•					•			
Director	Koichi Mimura	•							•	•
Director	Seiichi Kasutani	•	•							
Outside Director	Mitsuko Kagami					•				•
Outside Director	Toshio Asano	•		•						
Outside Director	Kuniko Shoji	•		•					•	•
Outside Director	Hiroshi Iwamoto				•			•		
Full-time Audit & Supervisory Board Member	Toshio Hirasawa				•					
Full-time Audit & Supervisory Board Member	Shigeru Kanda		•							
Outside Audit & Supervisory Board Member	Tetsuo Kitagawa	•			•	•			•	•
Outside Audit & Supervisory Board Member	Tomoyasu Toyoda	•		•						
Outside Audit & Supervisory Board Member	Yoko Sanuki					•				•

[Independence Standards for Outside Officers]

The Company deems that for any Outside Director, Outside Audit & Supervisory Board Member or candidate for either of the aforementioned positions to qualify as independent, that individual must not fall under any of the following definitions.

- (i) An executive\* of the Company or its subsidiaries or affiliates (collectively, the “Group”)
  - \* “Executive” refers to an executive director, executive, executive officer, other equivalent person, or other employee.
- (ii) A major lender\* to the Group or an executive thereof
  - \* “Major lender” refers to a financial institution where the outstanding debt is 2% or more of the consolidated total assets of the Group.
- (iii) A major business partner\* of the Group or an executive thereof
  - \* “Major business partner” refers to a business partner whose annual transaction amount with the Company is 2% or more of the Group’s consolidated net sales.
- (iv) A major shareholder\* of the Company or an executive thereof
  - \* “Major shareholder” refers to an entity who holds 10% or more of the total number of voting rights of the Company directly or indirectly.
- (v) Those who belong to the audit corporation that is the financial auditor of the Group
- (vi) A consultant, accounting professional, or legal professional who receives a significant amount\* of money or other assets from the Group other than officer compensation (if the entity receiving the assets is a corporation, cooperative or other form of organization, this refers to an individual belonging to the organization)
  - \* “Significant amount” refers to, in terms of the average for the past three fiscal years, ¥10 million or more for individuals, or 2% or more of the total annual revenues of the bodies for bodies including corporations and cooperatives.
- (vii) A party who receives substantial donations from the Group (if the party receiving the donations is a corporation, cooperative or other form of organization, this refers to an individual belonging to the organization)
- (viii) An executive of a company that accepts assignments of directors from the Group, or an executive of a parent company, subsidiary, etc. of such a company
- (ix) Those who have fallen under the definitions of (II) to (VIII) above in the last five years
- (x) A close relative\*<sup>2</sup> of a person who falls under the definitions of (II) to (VIII) above (limited to a person in an important position\*<sup>1</sup>)
  - \*<sup>1</sup> “Person in an important position” refers to a director (excluding outside directors), executive, executive officer, executive in the rank of senior general manager or above, or a person corresponding to these positions.
  - \*<sup>2</sup> “Close relative” refers to a spouse or a relative within the second-degree of kinship.