

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. MEDIPAL HOLDINGS CORPORATION assumes no responsibility for this translation or for direct, indirect or any other form of damages arising from the translation.

(Securities Code: 7459)
June 1, 2022

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 113th Ordinary General Meeting of Shareholders

Please be advised that the 113th Ordinary General Meeting of Shareholders of MEDIPAL HOLDINGS CORPORATION (the “Company”) will be held as described below.

Rather than attending on the day of the meeting, shareholders may exercise voting rights either in writing or via the Internet. After reviewing the attached Reference Documents for the Ordinary General Meeting of Shareholders, please exercise your voting rights by 5:30 p.m. on Thursday, June 23, 2022 (Japan Standard Time) in accordance with the “Guidance for Methods of Exercising Voting Rights” on pages 4-5.

■Notice Concerning the Novel Coronavirus Disease (COVID-19)

From the viewpoint of preventing the spread of COVID-19, we request that you refrain from attending on the day of this General Meeting of Shareholders and exercise your voting rights in advance either in writing or via the Internet.

■Notice Concerning Gifts

Until recent years, the Company has prepared products from disaster-afflicted areas as gifts to shareholders attending the General Meeting of Shareholders with the belief that it could help to support restoration after earthquake disasters. However, to correct this unfairness to shareholders, we will discontinue the provision of gifts. From now on, we would like to make use of the amount equivalent to such gifts and instead use it to contribute to society.

- 1. Date and time:** Friday, June 24, 2022 at 10:00 a.m. (Japan Standard Time)
- 2. Place:** Hall A, Ariake Central Tower Hall & Conference, 4th Floor, Ariake Central Tower
3-7-18 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 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 113th Fiscal Term (from April 1, 2021 to March 31, 2022), 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 113th Fiscal Term (from April 1, 2021 to March 31, 2022)
- Matters to be resolved:**
- Proposal 1:** Amendment to the Articles of Incorporation
- Proposal 2:** Election of 12 Directors
- 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 74 of the Japanese Reference Documents (English pages 6 to 28).
 - (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/>) written in Japanese.

◎ **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 24, 2022 at 10:00 a.m. (Japan Standard Time)

Place: Hall A, Ariake Central Tower Hall & Conference, 4th Floor, Ariake Central Tower
3-7-18 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 23, 2022 (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 23, 2022 (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 a second time, 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.

Inquiries about voting via the Internet

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)

For institutional investors

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 Amendment to the Articles of Incorporation

1. Reasons for the Amendment

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

- (1) Article 17, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of Reference Documents for the Ordinary General Meeting of Shareholders, etc. in electronic format.
- (2) Article 17, paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet disclosure and deemed provision of reference documents for the ordinary general meeting of shareholders, etc. (Article 17 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the Amendment

The details of the amendment are as follows.

(Underlining indicates changes.)

Current Articles of Incorporation	Proposed Amendments
<u>Article 17 (Internet Disclosure of Reference Documents, Etc.)</u> <u>The Company may disclose information that is to be stated or presented in the Reference Documents for the Ordinary General Meeting of Shareholders, Non-consolidated Financial Statements, Consolidated Financial Statements and Business Report on the Internet according to the provisions prescribed by the Ministry of Justice Order.</u>	<Deleted>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="373 309 603 338"><Newly established></p> <p data-bbox="373 875 603 904"><Newly established></p>	<p data-bbox="818 219 1430 286"><u>Article 17 (Measures, etc. for Providing Information in Electronic Format)</u></p> <ol data-bbox="831 309 1445 801" style="list-style-type: none"> <li data-bbox="831 309 1445 488">1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of Reference Documents for the Ordinary General Meeting of Shareholders, etc. in electronic format.</u> <li data-bbox="831 510 1445 801">2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> <p data-bbox="1002 824 1286 853"><u>Supplementary Provisions</u></p> <ol data-bbox="831 875 1445 1756" style="list-style-type: none"> <li data-bbox="831 875 1445 1317">1. <u>The deletion of Article 17 (Internet Disclosure of Reference Documents, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 17 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> <li data-bbox="831 1323 1445 1576">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 (Internet Disclosure of Reference Documents, Etc.) of the pre-amended Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u> <li data-bbox="831 1583 1445 1756">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u>

Proposal 2: Election of 12 Directors

The term of office of all 12 Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of 12 Directors including four candidates for Outside Directors.

As is stipulated in the “Policy for the election of Directors” (see page 25), 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 26), 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 24).

In addition, all candidates for Outside Directors satisfy the requirements of the “Independence Standards for Outside Officers” (see page 27).

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 (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	Koichi Mimura	Director	92% (12/13)
6	Shinjiro Watanabe	Director, In charge of Information System	100% (13/13)
7	Kuniaki Imagawa <div>New Candidate</div>	—	—
8	Seiichi Kasutani	Director	85% (11/13)

Candidate No.	Name		Current position and assignment in the Company	Attendance at Board of Directors meetings
9	Mitsuko Kagami	Candidate for Outside Director	Outside Director (Nomination and Compensation Committee Member)	92% (12/13)
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	Candidate for Outside Director	Outside Director (Nomination and Compensation Committee Member)	100% (10/10)

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> Shuichi Watanabe (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 Jun. 2020 Chief Compliance Officer (current position) Apr. 2022 Director and Advisor of MEDICEO CORPORATION (current position)	169,900
Status of important concurrent occupations or positions outside the Company			
Director and Advisor of MEDICEO CORPORATION			
Reasons for Proposal as Candidate			
<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. In addition, as the top manager, he has taken the lead in promoting compliance management as "Chief Compliance Officer."</p> <p>The Company believes that he will expand the Company's potential as a wholesaler supporting the distribution of "Pharmaceuticals, Health, and Beauty," and contribute to both solving social issues and to increasing the corporate value of the Group, and that he is therefore suitable to continue in the role of Director.</p>			
Special Interest			
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	Yasuhiro Choufuku (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 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) Apr. 2022 Representative Director, Chairman of MEDICEO CORPORATION (current position)	49,800
Status of important concurrent occupations or positions outside the Company Representative Director, Chairman of MEDICEO CORPORATION			
Reasons for Proposal as Candidate 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 the person in charge of Pharmaceutical Business, working to improve performance of the MEDIPAL Group. As the person in charge of Pharmaceutical Business, he 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.			
Special Interest 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>Toshihide Yoda (January 8, 1963)</div> <div>Attendance at Board of Directors meetings 100% (13/13)</div> </div>	<div> <div>Apr. 1985</div> <div>Joined Nippon Kangyo Kakumaru Securities Co., Ltd.</div> <div>May 1989</div> <div>Joined UBS Securities Japan Co., Ltd.</div> <div>Jul. 1996</div> <div>Joined ING Baring Securities (Japan) Limited</div> <div>Dec. 2000</div> <div>Joined Lehman Brothers Japan Inc.</div> <div>Oct. 2008</div> <div>Joined Barclays Capital Japan Limited</div> <div>Managing Director of Barclays Capital Japan Limited</div> <div>Jun. 2010</div> <div>Director of the Company</div> <div>Apr. 2012</div> <div>Managing Director, In charge of IR, General Manager, Business Development Division of the Company (current position)</div> <div>May 2016</div> <div>Director of SPLine Corporation</div> <div>Director of MEDIE Co., Ltd.</div> <div>Jun. 2016</div> <div>Director of MEDICEO CORPORATION (current position)</div> <div>Feb. 2018</div> <div>Director of JCR USA, Inc. (current position)</div> <div>Jun. 2018</div> <div>Senior Managing Director of the Company (current position)</div> <div>Outside Director of JCR Pharmaceuticals Co., Ltd. (current position)</div> <div>Jan. 2020</div> <div>Manager, Business Investment Department, Business Development Division of the Company</div> <div>May 2021</div> <div>Director of PharField Corporation</div> </div>	11,600
Status of important concurrent occupations or positions outside the Company Director of MEDICEO CORPORATION Director of JCR USA, Inc. Outside Director of JCR Pharmaceuticals Co., Ltd. (Note) Scheduled to resign as Director of MEDICEO CORPORATION on June 15, 2022			
Reasons for Proposal as Candidate 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.			
Special Interest 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>Nomination and Compensation Committee Member</div> <p>Yuji Sakon (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> <p>May 2022 Director of PharField Corporation (current position)</p>	21,100
Status of important concurrent occupations or positions outside the Company Director of ASTEC Co., Ltd. Director of MM CORPORATION Director of YAKUJU HOLDINGS, Inc. Director of PharField Corporation			
Reasons for Proposal as Candidate 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.			
Special Interest 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	<div>Nomination and Compensation Committee Member</div> Koichi Mimura (October 8, 1957) Attendance at Board of Directors meetings 92% (12/13)	Oct. 1987	Joined Sumitomo 3M Limited (now 3M Japan Limited)	800
	Feb. 2006	President of 3M Indonesia		
	Feb. 2009	Executive Director, Director in charge of Industrial Markets of Sumitomo 3M Limited (now 3M Japan Limited)		
	Mar. 2010	Director in charge of the Industrial and Transportation Business of Sumitomo 3M Limited		
	Apr. 2012	President of Sumitomo 3M Limited President of 3M Health Care Limited		
	Sep. 2014	President of 3M Japan Limited		
	Sep. 2016	Vice President, Electronics Assembly Solutions of 3M Corporate Headquarters (U.S.)		
	Nov. 2018	Business Director in charge of the Transportation and Electronics Business of 3M Asia Pacific		
	Jun. 2020	Outside Director of the Company		
	Jun. 2021	Director of the Company (current position)		
Status of important concurrent occupations or positions outside the Company — (Note) Scheduled to assume the position as Director of MEDICEO CORPORATION on June 15, 2022				
Reasons for Proposal as Candidate 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. Going forward, the Company believes that he will contribute to further increases in corporate value of the Group by applying his abundant experience and wide-ranging insights in relation to global management to the full extent in operational execution, and that he is therefore suitable to continue in the role of Director.				
Special Interest There is no special interest between Mr. Koichi Mimura and the Company.				
6	Shinjiro Watanabe (October 28, 1972) Attendance at Board of Directors meetings 100% (13/13)	Sep. 2008	Joined ATOL CO., LTD.	30,000
	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 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		
	Oct. 2021	In charge of Information System of the Company (current position)		
	Status of important concurrent occupations or positions outside the Company Representative Director, President and CEO of ATOL CO., LTD.			
	Reasons for Proposal as Candidate Mr. Shinjiro Watanabe has supervised the MEDIPAL Group's System as the person in charge of the Information System 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.			
Special Interest 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>New Candidate</div> <p>Kuniaki Imagawa (September 10, 1961)</p> <p>Attendance at Board of Directors meetings —</p>	<p>Apr. 1984 Joined KURAYA CORPORATION (now the Company)</p> <p>Oct. 2004 Full-time Manager of the Sales Strategy Department of MEDICEO Holdings Co., Ltd. (now the Company)</p> <p>Oct. 2005 Manager of the Sales Strategy Department of Mediceo Paltac Holdings Co., Ltd. (now the Company)</p> <p>Jul. 2008 Executive Officer of Mediceo Paltac Holdings Co., Ltd.</p> <p>Oct. 2009 Executive Officer and Manager of Solutions Department of MEDICEO CORPORATION</p> <p>Apr. 2010 Deputy General Manager, Sales Strategy Division of MEDICEO CORPORATION</p> <p>Apr. 2011 Manager of the Sales Strategy Department of MEDICEO CORPORATION</p> <p>Apr. 2012 General Manager of Strategy Division of MEDICEO CORPORATION</p> <p>Jun. 2012 Director of MEDICEO CORPORATION</p> <p>Oct. 2012 Executive Officer and Deputy General Manager, Business Development Division of the Company</p> <p>Oct. 2015 Manager, Pharmacy Business Planning Department, Business Development Division of the Company</p> <p>Apr. 2017 Deputy General Manager of Tokyo Branch Office, Manager of Tokyo Regional Sales Department, Manager of Tokyo Wholesale Sales Branch of MEDICEO CORPORATION</p> <p>Apr. 2019 General Manager of Tokyo Branch Office of MEDICEO CORPORATION</p> <p>Apr. 2022 Representative Director, President and CEO of MEDICEO CORPORATION (current position)</p>	8,800
Status of important concurrent occupations or positions outside the Company			
Representative Director, President and CEO of MEDICEO CORPORATION			
Reasons for Proposal as Candidate			
<p>Mr. Kuniaki Imagawa has experience as a sales branch manager of the Company's subsidiary MEDICEO CORPORATION, and later achieved results while playing a central role in the Solutions Business. He 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.</p> <p>Going forward, while realizing a new <i>Oroshi</i> concept (a new concept of wholesaling) as one of the persons responsible for "Change the <i>Oroshi</i>," the Company believes that he will contribute to further increases in corporate value of the Group, and that he is therefore suitable to serve in the role of Director.</p>			
Special Interest			
There is no special interest between Mr. Kuniaki Imagawa 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
8	Seiichi Kasutani (September 22, 1962) Attendance at Board of Directors meetings 85% (11/13)	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)	—
Status of important concurrent occupations or positions outside the Company Representative Director, President, COO of PALTAC CORPORATION			
Reasons for Proposal as Candidate 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.			
Special Interest 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>Mitsuko Kagami (May 18, 1958)</p> <p>Attendance at Board of Directors meetings 92% (12/13)</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> <p>Jun. 2021 Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (current position)</p>	900
	Status of important concurrent occupations or positions outside the Company Attorney at law (Kagami Law Office) Outside Director of Sotetsu Holdings Inc. Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd.		
	Reasons for Proposal as Candidate for Outside Director, and Overview of Expected Role 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. As a member of the Compliance Committee, Ms. Mitsuko Kagami continuously monitors the Group's compliance, and while working to establish a corporate culture based on a law-abiding spirit, provides valuable opinions and appropriate advice. 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.		
	Special Interest There is no special interest between Ms. Mitsuko Kagami and the Company.		
	Items Related to Independence <ul style="list-style-type: none"> • 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. • 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. • There are no business relationship between the Group and Sotetsu Holdings Inc. where Ms. Kagami currently serves as an Outside Director. • There are no business relationship between the Group and Shin-Etsu Chemical Co., Ltd. where Ms. Kagami currently serves as an Outside Audit & Supervisory Board Member. 		
	Term of office as Outside Director <ul style="list-style-type: none"> • 8 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>Toshio Asano (December 4, 1952)</p> <p>Attendance at Board of Directors meetings 92% (12/13)</p>	<div>Apr. 1975 Oct. 2003</div> <div>Apr. 2008 Apr. 2010</div> <div>Apr. 2011 Apr. 2014</div> <div>Jun. 2014</div> <div>Apr. 2016 Jun. 2016</div> <div>Aug. 2016 Jun. 2017</div> <div>Jun. 2019</div> <div>Jun. 2021</div>	<div>Joined Asahi Kasei Corporation Executive Officer of Asahi Kasei Pharma Corporation</div> <div>Director and Senior Executive Officer of Asahi Kasei Pharma Corporation President & Representative Director and Presidential Executive Officer of Asahi Kasei Pharma Corporation</div> <div>Executive Officer of Asahi Kasei Corporation Presidential Executive Officer of Asahi Kasei Corporation</div> <div>President & Representative Director of Asahi Kasei Corporation</div> <div>Director of Asahi Kasei Corporation Permanent Consultant of Asahi Kasei Corporation (current position)</div> <div>Advisor of the Company Outside Director of the Company (current position)</div> <div>Outside Director of Daicel Corporation (current position) Outside Director of Tokyo Century Corporation (current position)</div> <div>Chairman of Japanese Foundation for Cancer Research (current position)</div>	4,900
Status of important concurrent occupations or positions outside the Company Permanent Consultant of Asahi Kasei Corporation Outside Director of Daicel Corporation Outside Director of Tokyo Century Corporation Chairman of Japanese Foundation for Cancer Research				
Reasons for Proposal as Candidate for Outside Director, and Overview of Expected Role 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.				
Special Interest There is no special interest between Mr. Toshio Asano and the Company.				
Items Related to Independence • 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. • 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 & Representative Director, but because of factors such as the fact that the amounts of these transactions with the MEDIPAL Group are 0.4% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent. • 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 0.1% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent.				

	<ul style="list-style-type: none"> • 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 0.1% of the MEDIPAL Group's consolidated sales, we regard Mr. Asano as independent. • Mr. Asano serves as Chairman of Japanese Foundation for Cancer Research. However, there is no special interest between the MEDIPAL Group and the foundation. <p>Term of office as Outside Director</p> <ul style="list-style-type: none"> • 5 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>Kuniko Shoji (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 & 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)</p> <p> 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>	—
Status of important concurrent occupations or positions outside the Company Outside Director of Nichirei Corporation Outside Director of DIC Corporation Professor of Graduate School of Health Innovation Studies of Kanagawa University of Human Services			
Reasons for Proposal as Candidate for Outside Director, and Overview of Expected Role 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. As a member of the Compliance Committee, Ms. Kuniko Shoji continuously monitors the Group's compliance, and while working to establish a corporate culture based on a law-abiding spirit, provides valuable opinions and appropriate advice. 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.			
Special Interest There is no special interest between Ms. Kuniko Shoji and the Company.			
Items Related to Independence <ul style="list-style-type: none"> • 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. • 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 0.7% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent. • 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 0.1% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent. • 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 0.1% of the MEDIPAL Group's consolidated sales, we regard Ms. Shoji as independent. 			

	<ul style="list-style-type: none"> • 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. <p>Term of office as Outside Director</p> <ul style="list-style-type: none"> • 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
	<div>Candidate for Outside Director</div> <div>Nomination and Compensation Committee Member</div> <p>Hiroshi Iwamoto (February 20, 1959)</p> <p>Attendance at Board of Directors meetings 100% (10/10)</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 & Administration Division of Mizuho Research Institute Ltd.</p> <p>Apr. 2017 Lecturer of Musashino Academia Musicae Senior Managing Executive Officer, General Manager of Planning & 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 & Co., Ltd. (current position)</p> <p>Jun. 2021 Outside Director of the Company (current position)</p>	—
Status of important concurrent occupations or positions outside the Company Advisor of Chuo-Nittochi Co., Ltd. Outside Statutory Auditor of Morinaga & Co., Ltd.			
12	Reasons for Proposal as Candidate for Outside Director, and Overview of Expected Role 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. Based on his abundant experience and wide-ranging insights, at meetings of the Board of Directors of the Company, he expresses valuable opinions and appropriate advice from an objective and specialized viewpoint. Moreover, as a member of the Nomination and Compensation Committee, he has also been providing valuable opinions and appropriate advice to enhance corporate governance. Based on the aforementioned reasons, the Company believes that Mr. Hiroshi Iwamoto can suitably perform his duties as an Outside Director, and therefore is suitable to continue in the role of Outside Director.		
	Special Interest There is no special interest between Mr. Hiroshi Iwamoto and the Company.		
	Items Related to Independence <ul style="list-style-type: none"> • The Company has appointed Mr. Iwamoto 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. Iwamoto is re-elected, the Company will continue to have him as an independent officer. • Mr. Iwamoto was previously employed at Mizuho Bank, Ltd., but the MEDIPAL Group has no balance of borrowings from Mizuho Bank, Ltd. • The MEDIPAL Group has transactions relating to the purchasing of products with Morinaga & 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 0.1% of the MEDIPAL Group's consolidated sales, we regard Mr. Iwamoto as independent. 		
	Term of office as Outside Director <ul style="list-style-type: none"> • 1 year (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 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.

[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. Kuniaki Imagawa 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 & 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. Kuniaki Imagawa 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.

[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 Directors

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	Koichi Mimura	•							•	•
Director	Shinjiro Watanabe	•					•			
Director	Kuniaki Imagawa	•	•							
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 1% 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 1% 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 1% 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*² of a person who falls under the definitions of (ii) to (viii) above (limited to a person in an important position*¹)
 - *¹ “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.
 - *² “Close relative” refers to a spouse or a relative within the second-degree of kinship.

[Policy on Cross-Shareholdings]

- The Group believes that the stable supply of products in the pharmaceuticals, cosmetics, daily necessities, etc. wholesale business requires cooperation with the various companies that make up the supply chain. Therefore, the Group's policy is to perform a comprehensive consideration of the business strategies and relationships with these companies and hold shares in them as cross-shareholdings when it is determined that it will contribute to improving corporate value over the medium to long term.
- Each year the Board of Directors determines the appropriateness of holding these shares by examining, for each individual company, whether or not it will contribute to the enhancement of medium- to long-term corporate value through the maintenance of smooth business relationships and strengthening of business alliances in the Group's business operations.
- When exercising voting rights, the Group will exercise its voting rights appropriately after making a comprehensive judgment of whether to approve the proposal after considering whether or not the content of the proposal will contribute to the enhancement of the Group's medium- to long-term corporate value and the impact of the proposal on the Group.

Cross-Shareholdings (Listed Companies)

	111th Fiscal Term (Fiscal year ended March 2020)	112th Fiscal Term (Fiscal year ended March 2021)	113th Fiscal Term (Fiscal year ended March 2022)
Number of different stocks (Company Name)	71	68	51
Balance sheet amount (Millions of yen)	109,018	112,504	101,635