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Securities code: 4931

November 30, 2023

(Start date of measures for electronic provision: November 24, 2023)

To Shareholders with Voting Rights:

Takahiro Goto
President & Representative Director of the Board
and Chief Executive Officer
Shinnihonseiyaku Co., Ltd.
1-4-7 Otemon, Chuo-ku, Fukuoka, Japan

**NOTICE OF
THE 35TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our sincere gratitude for your continued support and patronage.

Please be informed that the 35th Annual General Meeting of Shareholders of Shinnihonseiyaku Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, we have taken measures to electronically provide information that constitutes the content of the reference materials, etc. for the General Meeting of Shareholders (items subject to measures for electronic provision), and accordingly posted such information on the Company website. Shareholders are kindly asked to access the following Company website to view the information.

The Company website: <https://corporate.shinnihonseiyaku.co.jp/en/ir/>



As the aforementioned items subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE), please access the following TSE website (Listed Company Search page), and enter the issue name (Shinnihonseiyaku) or code (4931) for information search. Then please click “Basic information” and “Documents for public inspection/PR information” to view the information.

The Tokyo Stock Exchange website (Listed Company Search page):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



If you are unable to attend this General Meeting of Shareholders in person, you can exercise your voting rights in writing (by mail) or via the Internet. Please exercise your voting rights by 5:50 p.m. Japan time, Monday, December 18, 2023.

- 1. Date and Time:** Tuesday, December 19, 2023 at 10:00 a.m. Japan time (reception begins at 9:30 a.m.)
- 2. Place:** Saiun no Ma, 8th Floor, Solaria Nishitestu Hotel Fukuoka
2-2-43 Tenjin, Chuo-ku, Fukuoka, Fukuoka Prefecture, Japan
- 3. Meeting Agenda**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the Company’s 35th Fiscal Year (October 1, 2022 to September 30, 2023) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company’s 35th Fiscal Year (October 1, 2022 to September 30, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Five (5) Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors of the Board Who Are Audit and Supervisory Committee Members)
- Proposal 5:** Election of One (1) Substitute Director of the Board Who Is an Audit and Supervisory Committee Member)
- Proposal 6:** Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members)
- Proposal 7:** Determination of Amount of Compensation, etc. for Directors of the Board who Are Audit and Supervisory Committee Members
- Proposal 8:** Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Outside Directors and Directors of the Board Who Are Audit and Supervisory Committee Members) under the Stock Compensation System to Replace Retirement Benefits
- Proposal 9:** Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Outside Directors and Directors of the Board Who Are Audit and Supervisory Committee Members) under the Performance-Based Stock Compensation System
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Your cooperation is requested with respect to the following:

- If you attend the meeting in person, please submit the enclosed Exercise of Voting Rights Form at the reception desk.
- For this General Meeting of Shareholders, we will send a document containing the items subject to measures for electronic provision to all shareholders regardless of whether or not the delivery of a paper copy is requested.
- The following matters are posted on the websites given above in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation, and are therefore not included in this Notice.

- Business Report: Systems to Ensure the Propriety of Business Activities and the Outline of the Operation of the Systems, Basic Policy on Control of the Company
- Consolidated Financial Statements: Consolidated Statements of Changes in Net Assets, Notes to the Consolidated Financial Statements
- Non-consolidated Financial Statements: Statement of Changes in Net Assets, Notes to the Non-consolidated Financial Statements

These documents are part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their audit reports.

- If revisions are made to the items subject to measures for electronic provision, the revised content will be posted on the websites given above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes to appropriate surplus as follows.

Matters related to year-end dividends

The Company has a basic dividend policy of distributing earnings based on performance in a sustained, stable manner after setting aside the internal reserves necessary for investing in future business development and maintaining financial soundness.

(1) Type of dividend property

Cash

(2) Matters related to allotment of dividend property and total amount

¥33.00 per share of the Company's common stock

Total dividend amount:

¥709,898,970

(3) Effective date of dividend of surplus

December 20, 2023

For Reference: Transition to a Company with an Audit and Supervisory Committee

In order to further strengthen its corporate governance system and improve its corporate value, the Company would like to shift to a company with an Audit and Supervisory Committee, subject to the approval of Proposal 2, “Partial Amendments to the Articles of Incorporation.”

Reference matters common to Proposal 2 to Proposal 9

Each of the proposals from Proposal 2 to Proposal 9 on pages 5 to 31 of the Reference Documents for this General Meeting of Shareholders is related to the transition to a company with an Audit and Supervisory Committee. In submitting these proposals, the Company would like to explain the purpose of transition to a company with an Audit and Supervisory Committee and the characteristics of a company with an Audit and Supervisory Committee.

■ Purpose of transition to a company with an Audit and Supervisory Committee

(1) Improving management transparency

The Company will include Audit and Supervisory Committee Members, who take on responsibilities such as auditing the performance of duties by Directors of the Board, as members of the Board of Directors in order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance. With the Audit and Supervisory Committee, which consists mostly of Outside Directors, taking on the responsibility of auditing and supervising the legality and adequacy of business execution by Directors of the Board, the Company aims to achieve more transparent management and build a structure that can more accurately meet the expectations of stakeholders inside and outside Japan.

(2) Expediting management decision-making and business execution

The Board of Directors will delegate some decisions on important business execution to the Directors of the Board. This will expedite the decision-making and business execution of management, further improving the corporate value.

■ Characteristics of a company with an Audit and Supervisory Committee

A company with an Audit and Supervisory Committee does not have Audit & Supervisory Board Members and an Audit & Supervisory Board. Rather, an Audit and Supervisory Committee, which comprises three or more Directors of the Board and consists mostly of Outside Directors, takes on the responsibility of auditing. Unlike Audit & Supervisory Board Members, Directors of the Board who are Audit and Supervisory Committee Members have the right to vote at the Board of Directors meetings as Directors of the Board as well as the authority to express the opinion of the Audit and Supervisory Committee at General Meetings of Shareholders regarding the election and dismissal of Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members) and their compensation. Thus, a company with an Audit and Supervisory Committee has a stronger supervisory function than a company with an Audit & Supervisory Board.

In addition, a company with an Audit and Supervisory Committee may delegate all or part of decisions on important business execution to Directors of the Board by a resolution of the Board of Directors, if a majority of the Directors of the Board are Outside Directors or if there are provisions in the Articles of Incorporation to that effect. This will enhance the agility and expeditiousness of decision-making regarding the business execution and enable the Board of Directors to deliberate important agenda items more fully.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company has decided to shift from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee, for the purpose of improving management transparency and further expediting management decision-making and business execution. Accordingly, the Company will make the amendments required for the transition to a company with an Audit and Supervisory Committee, such as establishing new provisions concerning Directors of the Board who are Audit and Supervisory Committee members and the Audit and Supervisory Committee, and deleting the provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board.
- (2) In addition, the Company will revise the provisions for Directors with Management Positions considering the management structure after the transition to a company with an Audit and Supervisory Committee.
- (3) The provisions concerning the dismissal of Directors of the Board shall be deleted.
- (4) The Company will also make required amendments such as lexical corrections in accordance with the amendments above.

2. Details of amendments

Details of the amendments are as follows.

Amendments to the Articles of Incorporation in this Proposal shall come into effect at the conclusion of this General Meeting of Shareholders.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
Chapter 1 General Provisions Articles 1 to 4 (Omitted) Article 5 (Governing bodies) The Company shall establish the following governing bodies in addition to the General Meeting of Shareholders and Directors of the Board: (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor	Chapter 1 General Provisions Articles 1 to 4 (Unchanged) Article 5 (Governing bodies) The Company shall establish the following governing bodies in addition to the General Meeting of Shareholders and Directors of the Board: (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor
Chapter 2 Shares Articles 6 to 11 (Omitted)	Chapter 2 Shares Articles 6 to 11 (Unchanged)
Chapter 3 General Meeting of Shareholders Articles 12 to 18 (Omitted)	Chapter 3 General Meeting of Shareholders Articles 12 to 18 (Unchanged)
Chapter 4 Directors of the Board and Board of Directors Article 19 (Number of Directors of the Board) The number of Directors of the Board of the Company shall not exceed seven (7). (Newly established)	Chapter 4 Directors of the Board and Board of Directors Article 19 (Number of Directors of the Board) The number of Directors of the Board <u>(excluding Directors of the Board who are Audit and Supervisory Committee Members)</u> of the Company shall not exceed seven (7). 2 <u>The number of Directors of the Board who are Audit and Supervisory Committee Members of the Company shall not exceed five (5).</u>

Current Articles of Incorporation	Proposed amendments
<p>Article 20 (Method of election <u>and dismissal</u> of Directors of the Board)</p> <p>The election <u>and dismissal</u> of Directors of the Board shall be decided by a majority of shareholders in attendance at a General Meeting of Shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</p> <p>2 (Omitted)</p> <p>Article 21 (Term of office of Directors of the Board)</p> <p>The term of office of Directors of the Board shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within one (1) year after their election.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Article 22 (Representative Directors of the Board and Directors of the Board with special titles)</p> <p>The Company shall appoint <u>one (1) President from among the Directors of the Board</u> by a resolution of the Board of Directors.</p> <p>2 The Company may appoint a Chairperson, a <u>Vice-Chairperson, Vice-Presidents</u>, Senior Executive Directors of the Board, and Executive Directors of the Board <u>from among the Directors of the Board</u> by a resolution of the Board of Directors.</p> <p>3 <u>The President shall represent the Company.</u></p> <p>4 <u>Apart from the President, the Company may appoint several representative Directors of the Board by a resolution of the Board of Directors.</u></p>	<p>Article 20 (Method of election of Directors of the Board)</p> <p>The election of Directors of the Board shall be decided by a majority of shareholders in attendance at a General Meeting of Shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights, <u>distinguishing between Directors of the Board who are Audit and Supervisory Committee Members and those who are not.</u></p> <p>2 (Unchanged)</p> <p>Article 21 (Term of office of Directors of the Board)</p> <p>The term of office of Directors of the Board <u>(excluding Directors of the Board who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within one (1) year after their election.</p> <p>2 <u>The term of office of Directors of the Board who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within two (2) years after their election.</u></p> <p>3 <u>The term of office of Directors of the Board who are Audit and Supervisory Committee Members elected to fill a vacancy caused by the resignation of Directors of the Board who are Audit and Supervisory Committee Members prior to the expiry of their term of office shall expire at the expiry of the original term of their predecessor.</u></p> <p>Article 22 (Representative Directors of the Board and Directors of the Board with special titles)</p> <p>The Company shall appoint <u>Representative Directors of the Board</u> by a resolution of the Board of Directors.</p> <p>2 The Company may appoint a Chairperson, <u>a President</u>, Senior Executive Directors of the Board, and Executive Directors of the Board by a resolution of the Board of Directors.</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article 23 (Convocation of Board of Directors meetings)</p> <p>(Omitted)</p> <p>2 The notice of convocation for a Board of Directors meeting shall be issued to each Director of the Board <u>and each Audit & Supervisory Board Member</u> no later than three (3) days prior to the meeting; provided, however, that this period may be shortened in case of an emergency.</p> <p>3 Board of Directors meetings may be convened without taking the convocation procedure given the unanimous consent of the Directors of the Board <u>and Audit & Supervisory Board Members</u>.</p>	<p>Article 23 (Convocation of Board of Directors meetings)</p> <p>(Unchanged)</p> <p>2 The notice of convocation for a Board of Directors meeting shall be issued to each Director of the Board no later than three (3) days prior to the meeting; provided, however, that this period may be shortened in case of an emergency.</p> <p>3 Board of Directors meetings may be convened without taking the convocation procedure given the unanimous consent of the Directors of the Board.</p>
<p>Article 24 (Omitted)</p> <p>(Newly established)</p>	<p>Article 24 (Unchanged)</p> <p><u>Article 25 (Delegation of decisions on important business execution)</u> <u>The Company may, pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, delegate to Directors of the Board all or part of decisions on important business execution (excluding the matters listed in each item of Paragraph 5 of the same Article) by a resolution of the Board of Directors.</u></p>
<p>Article <u>25</u> (Omission of resolutions of the Board of Directors)</p> <p>If a Director of the Board submits a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, and if all of the Directors of the Board (limited to those entitled to participate in the vote on such matter) indicate their consent to the said proposal, either in writing or in electronic form, the Company shall deem such proposal as having been resolved by the Board of Directors; <u>provided, however, that the foregoing shall not apply when an Audit & Supervisory Board Member has objected to the proposal.</u></p>	<p>Article <u>26</u> (Omission of resolutions of the Board of Directors)</p> <p>If a Director of the Board submits a proposal regarding a matter, which is the subject of a resolution by the Board of Directors, and if all of the Directors of the Board (limited to those entitled to participate in the vote on such matter) indicate their consent to the said proposal, either in writing or in electronic form, the Company shall deem such proposal as having been resolved by the Board of Directors.</p>
<p>Article <u>26</u> (Minutes of Board of Directors meetings)</p> <p>The proceedings of Board of Directors meetings shall be prepared in accordance with laws and regulations, and the Directors of the Board <u>and Audit & Supervisory Board Members</u> in attendance shall sign their names, affix their names and seals, or put electronic signatures on the minutes.</p>	<p>Article <u>27</u> (Minutes of Board of Directors meetings)</p> <p>The proceedings of Board of Directors meetings shall be prepared in accordance with laws and regulations, and the Directors of the Board in attendance shall sign their names, affix their names and seals, or put electronic signatures on the minutes.</p>
<p>Article <u>27</u> (Omitted)</p>	<p>Article <u>28</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>28</u> (Compensation, etc. for Directors of the Board) Compensation, bonuses, and other economic benefits of Directors of the Board given by the Company as consideration for the performance of duties (<u>hereinafter referred to as "Compensation, etc."</u>) shall be determined by a resolution of the General Meeting of Shareholders.</p>	<p>Article <u>29</u> (Compensation, etc. for Directors of the Board) Compensation, bonuses, and other economic benefits of Directors of the Board given by the Company as consideration for the performance of duties shall be determined by a resolution of the General Meeting of Shareholders, <u>distinguishing between Directors of the Board who are Audit and Supervisory Committee Members and those who are not.</u></p>
<p>Article <u>29</u> (Omitted)</p>	<p>Article <u>30</u> (Unchanged)</p>
<p><u>Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board</u></p>	<p>(Deleted)</p>
<p><u>Article 30 (Number of Audit & Supervisory Board Members)</u> <u>The number of Audit & Supervisory Board Members of the Company shall not exceed five (5).</u></p>	<p>(Deleted)</p>
<p><u>Article 31 (Method of election and dismissal of Audit & Supervisory Board Members)</u> <u>The election of Audit & Supervisory Board Members shall be decided by a majority of shareholders in attendance at a General Meeting of Shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</u> <u>2 The dismissal of Audit & Supervisory Board Members shall be decided by a majority of two-thirds (2/3) or more shareholders in attendance at a General Meeting of Shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise their voting rights.</u></p>	<p>(Deleted)</p>
<p><u>Article 32 (Term of office of Audit & Supervisory Board Members)</u> <u>The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last fiscal year ending within four (4) years after their election.</u> <u>2 The term of office of Audit & Supervisory Board Members elected to fill a vacancy shall expire at the expiry of the original term of their predecessor.</u></p>	<p>(Deleted)</p>
<p><u>Article 33 (Audit & Supervisory Board Members (full-time))</u> <u>The Audit & Supervisory Board shall appoint by its resolution an Audit & Supervisory Board Member (full-time) from among the Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendments
<p><u>Article 34 (Convocation of Audit & Supervisory Board meetings)</u> <u>Audit & Supervisory Board meetings shall be convened by an Audit & Supervisory Board Member.</u></p> <p><u>2 The notice of convocation for an Audit & Supervisory Board meeting shall be issued to each Audit & Supervisory Board Member no later than one (1) week prior to the meeting; provided, however, that this period may be shortened in case of an emergency.</u></p> <p><u>3 Audit & Supervisory Board meetings may be convened without taking the convocation procedure given the unanimous consent of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 35 (Method of adopting resolutions)</u> <u>Unless otherwise prescribed in laws or regulations, resolutions of the Audit & Supervisory Board shall be adopted by a majority of the votes of the Audit & Supervisory Board Members.</u></p>	(Deleted)
<p><u>Article 36 (Minutes of Audit & Supervisory Board meetings)</u> <u>The proceedings of Audit & Supervisory Board meetings shall be prepared in accordance with laws and regulations, and the Audit & Supervisory Board Members in attendance shall sign their names, affix their names and seals, or put electronic signatures on the minutes.</u></p>	(Deleted)
<p><u>Article 37 (Audit & Supervisory Board Regulations)</u> <u>In addition to laws and regulations and these Articles of Incorporation, matters regarding the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>Article 38 (Compensation, etc. for Audit & Supervisory Board Members)</u> <u>Compensation, etc. for Audit & Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 39 (Exemption of Audit & Supervisory Board Members from liability)</u> <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages caused by negligence of duties to the extent permitted by laws and regulations.</u></p> <p><u>2 Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Audit & Supervisory Board Members to limit their liability for damages caused by negligence of duties; provided the maximum amount of the liability based on such agreement shall be the amount as prescribed in the relevant laws and regulations.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Chapter 5 Audit and Supervisory Committee</u> <u>Article 31 (Audit and Supervisory Committee Members (full-time))</u> <u>The Audit and Supervisory Committee may appoint by its resolution Audit and Supervisory Committee Members (full-time) from among the Audit and Supervisory Committee Members.</u></p> <p><u>Article 32 (Convocation of Audit and Supervisory Committee meetings)</u> <u>Audit and Supervisory Committee meetings shall be convened by an Audit and Supervisory Committee Member.</u> <u>2 The notice of convocation for an Audit and Supervisory Committee meeting shall be issued to each Audit and Supervisory Committee Member no later than three (3) days prior to the meeting; provided, however, that this period may be shortened in case of an emergency.</u> <u>3 Audit and Supervisory Committee meetings may be convened without taking the convocation procedure given the unanimous consent of the Audit and Supervisory Committee Members.</u></p> <p><u>Article 33 (Method of adopting resolutions)</u> <u>Resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the votes of the Audit and Supervisory Committee Members in attendance comprising a majority of the Audit and Supervisory Committee Members entitled to participate in voting.</u></p> <p><u>Article 34 (Minutes of Audit and Supervisory Committee meetings)</u> <u>The proceedings of Audit and Supervisory Committee meetings shall be prepared in accordance with laws and regulations, and the Audit and Supervisory Committee Members in attendance shall sign their names, affix their names and seals, or put electronic signatures on the minutes.</u></p>

Current Articles of Incorporation	Proposed amendments
(Newly established)	<u>Article 35 (Audit and Supervisory Committee Regulations)</u> <u>Unless otherwise provided for in laws and regulations, and these Articles of Incorporation, matters regarding the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee.</u>
Chapter 6 Accounting Auditor Articles <u>40</u> to <u>42</u> (Omitted)	Chapter 6 Accounting Auditor Articles <u>36</u> to <u>38</u> (Unchanged)
Chapter 7 Accounts Articles <u>43</u> to <u>46</u> (Omitted)	Chapter 7 Accounts Articles <u>39</u> to <u>42</u> (Unchanged)
Chapter 8 Supplementary Provisions Article <u>47</u> (Omitted)	Chapter 8 Supplementary Provisions Article <u>43</u> (Unchanged)
(Newly established)	<u>Article 44 (Transitional measures regarding exemption of Audit & Supervisory Board Members from liability)</u> <u>The Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages caused by their conduct prior to the conclusion of the 35th Annual General Meeting of Shareholders as prescribed in Article 423, Paragraph 1 of the Companies Act, to the extent permitted by laws and regulations.</u> <u>2 Provisions of this Article shall be deleted on December 19, 2033.</u>

Proposal 3: Election of Five (5) Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members)

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee, and all six (6) Directors of the Board will retire following the expiration of their term when the amendments to the Articles of Incorporation take effect. Accordingly, the Company requests approval for the election of five (5) Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members and the same applies hereinafter in this Proposal) after the transition to a Company with an Audit and Supervisory Committee).

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors of the Board are as follows.

No.	Name	Gender	Current positions at the Company	Attendance at Board of Directors meetings Years in office as a Director
1	Takahiro Goto [Reappointment]	Male	President & Representative Director of the Board and Chief Executive Officer	100% (15/15) 18 years
2	Mitsuyoshi Fukuhara [Reappointment]	Male	Senior Executive Director of the Board and Chief Operating Officer	100% (15/15) 7 years
3	Haruki Murakami [Reappointment] [Outside] [Independent]	Male	Director of the Board (part-time)	100% (15/15) 4 years
4	Kazuyo Yunoki [Reappointment] [Outside] [Independent]	Female	Director of the Board (part-time)	100% (15/15) 2 years
5	Sachiyo Yasuda [New appointment] [Outside] [Independent]	Female	-	-

- Notes:
1. There are no special interest relationships between the Company and any of the candidates.
 2. Attendance records for Board of Directors meetings are for the meetings held during the fiscal year under review.
 3. Mr. Haruki Murakami, Ms. Kazuyo Yunoki and Ms. Sachiyo Yasuda are candidates for Outside Director.
 4. Mr. Haruki Murakami and Ms. Kazuyo Yunoki are currently Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Haruki Murakami will have served as Outside Director for four years, and Ms. Kazuyo Yunoki will have served as Outside Director for two years.
 5. The Company has registered Mr. Haruki Murakami and Ms. Kazuyo Yunoki as independent directors in accordance with the rules of the Tokyo Stock Exchange. If the two candidates are reappointed, the Company intends to maintain their registration as independent directors. If Ms. Sachiyo Yasuda is appointed as proposed, the Company intends to register her as an independent director in accordance with the rules of the Tokyo Stock Exchange.
 6. The Company has entered into a liability limitation agreement with Mr. Haruki Murakami and Ms. Kazuyo Yunoki to limit their liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act. The agreement limits liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the two candidates are reappointed as proposed, the Company intends to continue the aforesaid liability limitation agreement with them.
If Ms. Sachiyo Yasuda is appointed as proposed, the Company intends to enter into the same liability limitation agreement with her.
 7. The Company has entered into a directors and officers liability insurance agreement (hereinafter, "D&O insurance") with an insurance company as stipulated in Article 430 (3), Paragraph 1 of the Companies Act. The agreement covers damage in the event where Directors of the Board, etc. assume liability for damages arising from the execution of duties (except in cases corresponding to the disclaimers stipulated in the agreement). If the candidates are elected as Directors of the Board and assume office, the Company intends to designate each Director of the Board as the person insured by D&O insurance. D&O insurance premiums are borne in full by the Company, and the agreement is scheduled to be renewed in June 2024.
 8. The details of this proposal were approved at a Board of Directors meeting after obtaining consent from the Nomination and Compensation Committee, an advisory body to the Board of Directors consisting of the President & Representative Director of the Board, the Senior Executive Director of the Board and three independent Outside Directors.

Takahiro Goto

(Born January 16, 1971)

Number of shares of the Company held: 854,829 shares

**Reappointment**Attendance at Board
of Directors meetings

15/15

■ Career summary, positions, responsibilities, and significant concurrent positions

July 1995 Joined Shinnihonliving Co., Ltd. (currently the Company)
 September 1998 Department Manager, the Company
 December 2005 President & Representative Director of the Board, Chief Executive Officer, the Company
 April 2014 Director, Shinnihon Holdings Co., Ltd. (currently the Company)
 March 2016 President & Representative Director, Shinnihoniyaku Co., Ltd. (currently the Company)
 September 2021 Chairman & Representative Director, Flatcraft, Inc.
 December 2021 President & Representative Director of the Board and Chief Executive Officer, the Company (current position)

[Significant concurrent positions]

• None

Reasons for nomination as candidate for Director of the Board

Mr. Takahiro Goto has contributed to the Company's sustained growth and the improvement in its corporate value through establishing the purpose of the Company, "Beyond innovation, for a beautiful smile!" We believe he will continue to contribute to the Company's growth and the improvement of its corporate value going forward, and therefore request that he be reappointed as a Director of the Board.

Mitsuyoshi Fukuhara

(Born March 18, 1972)

Number of shares of the Company held: 57,964 shares

**Reappointment**Attendance at Board
of Directors meetings

15/15

■ Career summary, positions, responsibilities, and significant concurrent positions

May 1991 Joined Marukan Unyu Ltd.
 May 1994 Joined Cosmic Co., Ltd. (currently Yumemitsuketai Co., Ltd.)
 May 2005 Director, HOT COMMUNICATION, INC.
 April 2010 Joined JIMOS Co., Ltd.
 April 2013 Joined the Company
 April 2013 Deputy General Manager, Direct Marketing Department, the Company
 April 2014 Deputy General Manager, Marketing Department, the Company
 April 2015 General Manager, Mail Order Division, the Company
 October 2016 General Manager, Mail Order Department and General Manager, Business Promotion Department, the Company
 December 2016 Director of the Board and General Manager, Mail Order Department, the Company
 February 2019 Director of the Board, Executive Officer, and General Manager, Sales Department, the Company
 December 2019 Executive Director of the Board, the Company
 December 2021 Chairman & Director, Flatcraft, Inc.
 December 2021 Senior Executive Director of the Board and Chief Operating Officer, the Company (current position)
 December 2022 President & Representative Director, Flatcraft, Inc. (current position)
 July 2023 President, PERFECT ONE US Co., Ltd. (current position)

[Significant concurrent positions]

- President & Representative Director, Flatcraft, Inc.
- President, PERFECT ONE US Co., Ltd.

Reasons for nomination as candidate for Director of the Board

Mr. Mitsuyoshi Fukuhara led the rebuilding of the Company's mail order business model and supported the growth and expansion of its mail order business, which is the Company's core business. Since assuming the office of Senior Executive Director of the Board and Chief Operating Officer, he has contributed to the improvement of the Company's corporate value by actively promoting the expansion of the Company's business, while establishing the PERFECT ONE FOCUS brand, a new business. We believe he will continue to contribute to the improvement of the Company's corporate value and its sustained growth going forward, and therefore request that he be reappointed as a Director of the Board.

No.

3

Haruki Murakami

(Born April 8, 1953)

Number of shares of the Company held: 1,000 shares



Reappointment

Outside

Independent

Attendance at Board
of Directors meetings
15/15

■ Career summary, positions, responsibilities, and significant concurrent positions

April 1977	Joined Kanebo Cosmetics Inc.
October 1999	General Manager, Cosmetics Advertising Group, Kanebo, Ltd.
April 2001	General Manager, Cosmetics Advertising Group and General Manager, General Advertising Group, Kanebo, Ltd.
June 2002	General Manager, Cosmetics PR & Advertising Office and Deputy General Manager, Administration and Public Relations Office, Kanebo, Ltd.
May 2004	General Manager, Communications Office, Marketing Division and General Manager, Corporate Design Group, Kanebo Cosmetics Inc.
October 2004	Executive Officer and General Manager, Marketing Division, FANCL CORPORATION
June 2008	Director, Executive Officer, and President of Health Foods and Supplements Company, FANCL CORPORATION
June 2011	Director, Executive Managing Director, and General Manager, Corporate Communications Division, FANCL CORPORATION
March 2013	Director, Executive Managing Director, and President of Health Company, FANCL CORPORATION
June 2014	Advisor, FANCL CORPORATION
December 2019	Outside Director, the Company (current position)

[Significant concurrent positions]

- None

Reasons for nomination as candidate for Outside Director and Expected Roles

Mr. Haruki Murakami has outstanding personal qualities, discernment and a strong sense of ethics, and he possesses experience and extensive insight from many years of involvement in cosmetic and health food advertising planning and branding. He can be expected to utilize his insights to provide accurate advice on the Company's management and business strategy and oversight of the Company's business execution from an objective and neutral perspective. We believe he will appropriately execute the duties of Outside Director and therefore request that he be reappointed as an Outside Director.

No.

4

Kazuyo Yunoki

(Born July 11, 1960)

Number of shares of the Company held: - shares



Reappointment

Outside

Independent

Attendance at Board
of Directors meetings
15/15

■ Career summary, positions, responsibilities, and significant concurrent positions

March 1983	Joined The Daimaru, Inc.
September 1990	Assigned to Paris Representative Office of Merchandise Planning Division, The Daimaru, Inc.
May 2008	Corporate Officer and General Manager, Sapporo Store, The Daimaru, Inc.
March 2010	Corporate Officer and General Manager, Daimaru Sapporo Store, Daimaru Matsuzakaya Department Stores Co., Ltd.
May 2012	Corporate Officer and Executive Store Manager of Daimaru Kobe Store, Daimaru Matsuzakaya Department Stores Co., Ltd.
May 2015	Managing Executive Officer, Daimaru Matsuzakaya Department Stores Co., Ltd. and President & Representative Director, The Hakata Daimaru, Inc.
May 2019	Managing Executive Officer and Senior Executive General Manager, Affiliated Business Unit, J. FRONT RETAILING Co., Ltd.
March 2021	Executive Officer, Daimaru Matsuzakaya Department Stores Co., Ltd. and President & Representative Director, GINZA SIX Retail Management Co., Ltd.
December 2021	Outside Director, the Company (current position)
May 2022	Advisor, Daimaru Matsuzakaya Department Stores Co., Ltd.
May 2022	Outside Director, AEON Hokkaido Corporation (current position)
May 2023	Outside Director, AEON KYUSHU CO., LTD. (current position)

[Significant concurrent positions]

- Outside Director, AEON Hokkaido Corporation
- Outside Director, AEON KYUSHU CO., LTD.

Reasons for nomination as candidate for Outside Director and Expected Roles

Ms. Kazuyo Yunoki has been involved for many years in the management of major department stores and related operating companies. She possesses extensive experience and broad insight in Japan and abroad, including work experience overseas. We believe she will provide appropriate oversight and beneficial advice for the Company's overall management and therefore request that she be reappointed as an Outside Director.

Sachiyo Yasuda

(Born September 17, 1969)

Number of shares of the Company held:

- shares



New appointment

Outside

Independent

Attendance at Board
of Directors meetings
- / -

■ **Career summary, positions, responsibilities, and significant concurrent positions**

April 1992	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
April 1999	Sales Manager, Human Resources General Services Department, Recruit Co., Ltd.
April 2008	General Manager, Metropolitan Area Sales Department, HR Company, Recruit Co., Ltd.
April 2009	General Manager, New Product Development Department, Recruit Co., Ltd.
April 2010	General Manager, Tokai Area Sales Department, HR Company, Recruit Co., Ltd.
April 2012	General Manager, Tokai and Kansai Area Sales Department, New-graduates Recruiting Operation Department, Recruit Co., Ltd.
April 2013	(Concurrently) General Manager, Tokai and Kansai Area Sales Department, Assessment Department, Recruit Co., Ltd.
April 2014	Executive Officer in charge of New-graduates Recruiting Operation Division, Recruit Career Co., Ltd. (currently Recruit Co., Ltd.)
May 2019	Joined ExaWizards Inc., Executive Officer
March 2022	Outside Director, CL Holdings Inc. (current position)
November 2022	Head of Business Development, LegalOn Technologies, Inc. (current position)

[Significant concurrent positions]

- Outside Director, CL Holdings Inc.
- Head of Business Development, LegalOn Technologies, Inc.

Reasons for nomination as candidate for Outside Director and Expected Roles

Ms. Sachiyo Yasuda has experience and insight gained through years of her career in the corporate human resources domain including human capital recruitment, organizational development, and diversity and inclusion. Besides, she also has a wealth of expertise in the IT/DX domain. We believe that she will utilize these insights to provide appropriate oversight and beneficial advice for the Company's overall management from an independent and neutral perspective, and therefore request that she be appointed as an Outside Director.

Proposal 4: Election of Three (3) Directors of the Board Who Are Audit and Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee, and therefore the Company requests approval for the election of three (3) Directors of the Board who are Audit and Supervisory Committee Members.

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

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” take effect.

The candidates for Outside Director of the Board who is an Audit and Supervisory Committee Member are as follows.

No.	Name	Gender	Current positions at the Company	Attendance at meetings of the Board of Directors and Audit & Supervisory Board Years in office as a Director
1	Keiichi Zenmyo [New appointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member	100% (15/15) 100% (20/20) 6 years
2	Takashi Tanabe [New appointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member (part-time)	100% (15/15) 100% (20/20) 7 years, 6 months
3	Yuji Nakanishi [New appointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member (part-time)	100% (15/15) 95% (19/20) 5 years, 5 months

- Notes:
1. There are no special interest relationships between the Company and any of the candidates.
 2. Mr. Keiichi Zenmyo, Mr. Takashi Tanabe, and Mr. Yuji Nakanishi are candidates for Outside Director who is an Audit and Supervisory Committee Member.
 3. The Company has registered Mr. Keiichi Zenmyo, Mr. Takashi Tanabe, and Mr. Yuji Nakanishi as independent directors in accordance with the rules of the Tokyo Stock Exchange. If the three candidates are appointed as proposed, the Company intends to maintain their registration as independent directors.
 4. The Company has entered into a liability limitation agreement with Mr. Keiichi Zenmyo, Mr. Takashi Tanabe, and Mr. Yuji Nakanishi to limit their liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act. The agreement limits liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the three candidates are appointed as proposed, the Company once again intends to enter into the aforesaid liability limitation agreement with them.
 5. The Company has entered into a directors and officers liability insurance agreement (hereinafter, “D&O insurance”) with an insurance company as stipulated in Article 430 (3), Paragraph 1 of the Companies Act. The agreement covers damage in the event where Directors or Audit & Supervisory Board Members, etc. assume liability for damages arising from the execution of duties (except in cases corresponding to the disclaimers stipulated in the agreement). If the candidates are elected as Directors of the Board who are Audit and Supervisory Committee Members and assume office, the Company intends to designate each Director of the Board as the person insured by D&O insurance. D&O insurance premiums are borne in full by the Company, and the agreement is scheduled to be renewed in June 2024.
 6. The details of this proposal were approved at a Board of Directors meeting after obtaining consent from the Nomination and Compensation Committee, an advisory body to the Board of Directors consisting of the President & Representative Director of the Board, the Senior Executive Director of the Board and three independent Outside Directors, and receiving approval from the Audit & Supervisory Board.

No.

1

Keiichi Zenmyo

(Born November 15, 1957)

Number of shares of the Company held: - shares



New appointment

Outside

Independent

Attendance at Board
of Directors meetings
15/15

Attendance at Audit
& Supervisory Board
meetings
20/20

■ Career summary, positions, responsibilities, and significant concurrent positions

April 1981 Joined Kyushu Matsushita Electric Co., Ltd. (currently Panasonic System Solutions Japan Co., Ltd.)

April 2007 Business Division Manager, Kyushu Matsushita Electric Co., Ltd.

August 2010 Seconded to Panasonic System Solutions Japan Co., Ltd.

October 2010 Vice President and President, Kyushu Company, Panasonic System Solutions Japan Co., Ltd.

May 2011 Outside Director, PI Techno Co., Ltd.

June 2011 Outside Director, MIYAZAKI CABLE TV NETWORK Co., Ltd.

June 2013 Vice President and Chief Quality Officer responsible for the whole company, Panasonic System Solutions Japan Co., Ltd.

April 2017 Director, Panasonic System Solutions Japan Co., Ltd.

December 2017 Audit & Supervisory Board Member (full-time), the Company (current position)

[Significant concurrent positions]

- None

Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and Expected Roles

Mr. Keiichi Zenmyo possesses abundant practical experience in corporate management and a wealth of experience and expertise in company-wide quality control in the manufacturing industry. We expect him to utilize these insights to perform audits and provide supervision of the performance of duties by Directors of the Board from an objective and fair perspective and therefore request that he be appointed as an Outside Director who is an Audit and Supervisory Committee Member.

No.

2

Takashi Tanabe

(Born April 15, 1961)

Number of shares of the Company held: 11,000 shares



New appointment

Outside

Independent

Attendance at Board
of Directors meetings
15/15

Attendance at Audit
& Supervisory Board
meetings
20/20

■ Career summary, positions, responsibilities, and significant concurrent positions

April 1999 Joined Legal Training and Research Institute, Supreme Court

October 2000 Registered as a lawyer

October 2000 Joined Tanabe-Law Office

January 2010 Representative Lawyer, Tanabe-Law Office (current position)

April 2016 Representative Lawyer, Fukuoka Employment Consultation Center (current position)

June 2016 Audit & Supervisory Board Member, the Company (current position)

April 2018 Civil Conciliation Commissioner, Fukuoka Summary Court (current position)

September 2018 Substitute Director serving as an Audit and Supervisory Committee Member, PLATZ Co., Ltd. (current position)

May 2020 Supervisory Director, Fukuoka REIT Corporation (current position)

[Significant concurrent positions]

- Representative Lawyer, Tanabe-Law Office

Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and Expected Roles

Mr. Takashi Tanabe possesses many years of experience and knowledge as a lawyer. We expect him to utilize these insights to perform audits and provide supervision of the performance of duties by Directors of the Board from an objective and independent perspective and therefore request that he be appointed as an Outside Director who is an Audit and Supervisory Committee Member.



New appointment

Outside

Independent

Attendance at Board
of Directors meetings
15/15

Attendance at Audit
& Supervisory Board
meetings
19/20

■ Career summary, positions, responsibilities, and significant concurrent positions

April 1985	Joined Fuji Heavy Industries Ltd. (currently SUBARU Corporation)
April 1989	Joined International Digital Communications Inc. (currently IDC Frontier Inc.)
October 1990	Joined CORNES & COMPANY LIMITED
December 1994	Joined Taiyo LLC (currently Grant Thornton Taiyo LLC)
October 1995	Joined Fukuoka Office, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
April 2002	Established Nakanishi CPA's Office (current position)
June 2002	Audit & Supervisory Board member, Zenrin Co., Ltd.
April 2005	Established Nakanishi Tax Accountant's Office (current position)
June 2010	Auditor, Hisayama Research Institute For Lifestyle Diseases (current position)
April 2011	Representative Director, Expleo Co., Ltd. (current position)
September 2017	Audit & Supervisory Board Member, Beauty Kadan Co., Ltd.
July 2018	Audit & Supervisory Board Member, the Company (current position)
October 2019	Representative Director, Spacial Technology Research Institute, Co., Ltd.
October 2019	Auditor, LIFE Research Institute (current position)
September 2021	Director, Spacial Technology Research Institute, Co., Ltd. (current position)
[Significant concurrent positions]	
<ul style="list-style-type: none"> • Representative, Nakanishi CPA's Office • Representative, Nakanishi Tax Accountant's Office • Representative Director, Expleo Co., Ltd. 	

Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and Expected Roles

Mr. Yuji Nakanishi possesses abundant experience and advanced expertise as a certified public accountant and tax accountant. We expect him to utilize these insights to perform audits and provide supervision of the performance of duties by Directors of the Board from an objective and independent perspective and therefore request that he be appointed as an Outside Director who is an Audit and Supervisory Committee Member.

Proposal 5: Election of One (1) Substitute Director of the Board Who Is an Audit and Supervisory Committee Member


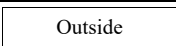

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee, and therefore the Company requests approval for the election of one (1) substitute Director of the Board who is an Audit and Supervisory Committee Member, in preparation for the case that the number of the Company’s Directors of the Board who are Audit and Supervisory Committee Members falls short of the number stipulated by laws and regulations.

The effectiveness of the election under this proposal may be cancelled based on a resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Audit and Supervisory Committee.

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

This proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” take effect.

The candidate for substitute Director of the Board who is an Audit and Supervisory Committee Member is as follows:

Asako Okabe		(Born August 7, 1970)	Number of shares of the Company held:	- shares
	■ Career summary, positions, responsibilities, and significant concurrent positions			
	October 1997	Joined Fukuoka Office, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)		
	May 2001	Registered as a certified public accountant		
	July 2017	Partner, Deloitte Touche Tohmatsu LLC		
	June 2022	Outside Audit and Supervisory Board Member, Hirata Corporation		
	July 2022	Representative, Asako Okabe Certified Public Accountant Office (current position)		
	June 2023	Outside Director (Audit and Supervisory Committee Member), Hirata Corporation (current position)		
	[Significant concurrent positions]			
	<ul style="list-style-type: none">• Representative, Asako Okabe Certified Public Accountant Office• Outside Director (Audit and Supervisory Committee Member), Hirata Corporation			
Reasons for nomination as candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and Expected Roles				
Ms. Asako Okabe possesses abundant and extensive insight, as well as advanced expertise as a certified public accountant. She has also served as a female leader and given training to managerial staff, and can be expected to utilize these experiences to provide advice, supervision and audits necessary for the Company from an independent and objective perspective. We therefore request that she be appointed as a substitute Outside Director who is an Audit and Supervisory Committee Member.				

- Notes:
1. There is no special interest relationship between the Company and the candidate.
 2. Ms. Asako Okabe is a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member.
 3. If Ms. Asako Okabe assumes office, the Company intends to register her as an independent director in accordance with the rules of the Tokyo Stock Exchange.
 4. If Ms. Asako Okabe assumes office, the Company intends to enter into a liability limitation agreement with her to limit her liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act. The agreement limits liability to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
 5. The Company has entered into a directors and officers liability insurance agreement (hereinafter, “D&O insurance”) with an insurance company as stipulated in Article 430 (3), Paragraph 1 of the Companies Act. The agreement covers damage in the event where Directors of the Board, etc. assume liability for damages arising from the execution of duties (except in cases corresponding to the disclaimers stipulated in the agreement). If Ms. Asako Okabe assumes office as Director of the Board who is an Audit and Supervisory Committee Member, the Company intends to designate her as the person insured by D&O insurance.

For Reference: Skills Matrix of the Board of Directors (scheduled from Tuesday, December 19, 2023 onwards)

The Company's Board of Directors shall be composed of people with advanced knowledge and experience in fields pertaining to corporate management. The fields of particular importance to corporate management are defined as follows, and Directors of the Board are expected to adequately demonstrate their capabilities. The following composition of the Board of Directors has been prepared on the assumption that the proposals on election of Directors of the Board are all approved as originally proposed at this General Meeting of Shareholders.

	Name	Position at the Company	Age	Gender	Years in office	Expertise, experience						
						Corporate management and business strategy	Sales and marketing	Overseas business	M&A and alliances	Legal and risk management	Financial affairs, accounting, and finance	ESG and sustainability
Director	Takahiro Goto	President & Representative Director of the Board and Chief Executive Officer, Member of Nomination and Compensation Committee	52	Male	18	●	●		●	●		●
	Mitsuyoshi Fukuhara	Senior Executive Director of the Board and Chief Operating Officer, Member of Nomination and Compensation Committee	51	Male	7	●	●	●			●	●
	Haruki Murakami	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	70	Male	4	●	●					●
	Kazuyo Yunoki	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	63	Female	2	●	●	●	●			●
	Sachiyo Yasuda	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	54	Female	—	●	●					●
Audit and Supervisory Committee Member	Keiichi Zenmyo	Director of the Board (Outside, Independent), Audit and Supervisory Committee Member	66	Male	—	●		●		●		●
	Takashi Tanabe	Director of the Board (Outside, Independent), Audit and Supervisory Committee Member	62	Male	—				●	●		●
	Yuji Nakanishi	Director of the Board (Outside, Independent), Audit and Supervisory Committee Member	62	Male	—	●			●		●	●

Reasons for Selection of Skills Matrix Items

Item	Reasons for Selection
Corporate management and business strategy	In order to achieve further growth and promote solutions to priority issues in the field of health and beauty toward realizing a “creator of lifestyles that foster beauty and good health,” it is necessary to have Directors of the Board who have management experience and a track record of accomplishment at listed companies or the equivalent in the field of health and beauty in particular.
Sales and marketing	To formulate management strategy aimed at strengthening core brands, developing new brands, and strengthening sales capabilities in order to achieve further growth going forward in the field of health and beauty, it is necessary to have Directors of the Board with management experience and a track record of accomplishment in marketing and sales divisions.
Overseas business	In order to formulate management strategy for accelerating overseas development, an important issue in our growth strategy, and demonstrate oversight of management, it is necessary to have Directors of the Board with management experience and a track record of accomplishment in overseas business and/or at overseas affiliates.
M&A and alliances	In order for the Company to achieve sustained growth and raise its corporate value over the medium to long term, it is necessary to conduct M&A, business investment, capital alliances and business alliances, etc. appropriately in a timely manner, and in order for the Board of Directors to demonstrate highly effective oversight of management, it is necessary to have Directors of the Board with management experience and a track record of accomplishment in these areas.
Legal and risk management	In order for the Company to achieve sustained growth and raise its corporate value over the medium to long term, it is indispensable to promote and enhance compliance and thoroughly conduct risk management under an appropriate governance system, and in order for the Board of Directors to effectively demonstrate oversight of management, it is necessary to have Directors of the Board with experience and a track record of accomplishment related to compliance divisions and risk management at companies listed on the stock exchange or equivalent organizations.
Financial affairs, accounting, and finance	In order for the Company to raise its corporate value over the medium to long term, accurate and timely disclosure of financial information and appropriate and sufficient funding linked to business operations are extremely important factors, and for the Board of Directors to demonstrate highly effective oversight of management, it is necessary to have Directors of the Board with management experience and a track record of accomplishment in financial affairs, accounting, and finance at companies listed on the stock exchange or equivalent organizations.
ESG and sustainability	In order for the Company to develop over the medium to long term as a company that contributes to society, initiatives related to ESG and sustainability are necessary, and in order for the Board of Directors to actively promote the establishment of governance systems and initiatives for the achievement of a sustainable society, including environmental, social, and economic initiatives, it is necessary to have Directors of the Board with management experience and a track record of accomplishment in these areas at companies listed on the stock exchange or equivalent organizations.

Proposal 6: Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members)

The amount of compensation, etc. (hereinafter, “compensation”; the same applies in the proposals below) for Directors of the Board of the Company approved at the 27th Annual General Meeting of Shareholders held on June 20, 2016 is no more than ¥200 million per year (excluding the employee portion of salary for Directors of the Board who concurrently serve as employees). However, if Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, in consideration of the recent economic situation and various other circumstances, the Company requests approval for the amount of compensation for Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members, and the same applies hereinafter in this Proposal) after the transition to a company with an Audit and Supervisory Committee, to be unchanged at no more than ¥200 million per year (including ¥50 million per year for Outside Directors), and for decisions on the specific amount to be paid to each Director of the Board and the timing of payment to be determined by a resolution of the Board of Directors.

An overview of the Company’s determination policy on the content of compensation for individual Directors of the Board is as described on pages 47 to 48 of the Business Report (in Japanese). At a Board of Directors meeting to be held after the conclusion of this General Meeting of Shareholders, the Company plans to change eligibility from “Directors of the Board” to “Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members),” and there will be no substantive changes to the Policy. The Company believes that the amount of compensation under this Proposal is reasonable, as basic compensation will be paid in accordance with the Policy after the change. The content of this Proposal was determined at a Board of Directors meeting after receiving a recommendation from the Nomination and Compensation Committee. The compensation will not include the employee salary portion for Directors of the Board who concurrently serve as employees.

There are currently six (6) Directors of the Board. If Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Five (5) Directors of the Board (Excluding Directors of the Board Who are Audit and Supervisory Committee Members),” are approved as proposed, the number of Directors of the Board will be five (5) (including three (3) Outside Directors).

This Proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” take effect.

Proposal 7: Determination of Amount of Compensation, etc. for Directors of the Board Who Are Audit and Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore, in consideration of the recent economic situation and various other circumstances, the Company requests approval for the amount of compensation for Directors of the Board who are Audit and Supervisory Committee Members after the transition to a company with an Audit and Supervisory Committee to be no more than ¥50 million per year, and for decisions on the specific amount to be paid to each Director of the Board who is an Audit and Supervisory Committee Member and the timing of payment to be determined by consultation among Directors of the Board who are Audit and Supervisory Committee Members. The Company believes that the amount of compensation under this Proposal is reasonable in light of the responsibilities of Directors of the Board who are Audit and Supervisory Committee Members.

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 4, “Election of Three (3) Directors of the Board Who are Audit and Supervisory Committee Members,” are approved as proposed, the number of Directors of the Board who are Audit and Supervisory Committee Members will be three (3).

This Proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” take effect.

Proposal 8: Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Outside Directors and Directors of the Board Who Are Audit and Supervisory Committee Members) under the Stock Compensation System to Replace Retirement Benefits

At the 32nd Annual General Meeting of Shareholders held on December 23, 2020, shareholders approved the maximum amount of compensation for the granting of common stock with transfer restrictions (“transfer-restricted stock”) to Directors of the Board (excluding Outside Directors), which is separate from the amount of monetary compensation, of no more than ¥30 million yen per year, and the total number of the common stock of the Company to be issued or disposed of to be no more than 15,000 shares per year, as a restricted stock system (“RS System”), a stock compensation system that replaces the retirement benefits system for directors and other officers, for the purposes of providing an incentive that encourages recipients to sustainably increase the Company’s corporate value and, at the same time, further promoting shared value between Directors of the Board and shareholders.

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore the Company requests approval to abolish the aforementioned compensation for granting transfer-restricted stock, and to reset the limit for the total amount of monetary compensation claims for granting transfer-restricted stock to no more than ¥30 million yen per year and the total number of the common stock of the Company to be issued or disposed of to no more than 15,000 shares per year, for Directors of the Board (excluding Outside Directors and Directors of the Board who are Audit and Supervisory Committee Members; hereinafter referred to as “Eligible Directors”), separately from the compensation framework in Proposal 6, “Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members).” The Company also requests approval to leave the decision on the specific allocation to each Eligible Director to the discretion of the Board of Directors.

An overview of the Company’s determination policy on the content of compensation for individual Directors of the Board is as described on pages 47 to 48 of the Business Report (in Japanese). At a Board of Directors meeting to be held after the conclusion of this General Meeting of Shareholders, the Company plans to change eligibility from “Directors of the Board” to “Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members),” and there will be no substantive changes to the Policy. The Company believes that the payment of compensation under the RS System under this Proposal is reasonable as stock-based compensation will be paid in accordance with the Policy after the change. The compensation will not include the employee salary portion for Directors of the Board who concurrently serve as employees.

There are currently three (3) Eligible Directors. However, if Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Five (5) Directors of the Board (Excluding Directors of the Board Who Are Audit and Supervisory Committee Members),” are approved as proposed, the number of Eligible Directors will be two (2).

This Proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” take effect.

When issuing or disposing of the aforementioned common stock of the Company, the Company and the Eligible Directors will enter into an agreement on the allocation of transfer-restricted stock (the “Allocation Agreement”) that includes the details summarized below.

(1) Overview of the RS System and the Allocation Agreement

The RS System is a stock compensation system whereby Eligible Directors receive delivery of a number of the common stock of the Company (“Allotted Shares”) equivalent to an amount determined in accordance with the Eligible Director’s position. The Allocation Agreement specifies the payment amount and conditions for each Eligible Director.

(2) Transfer Restriction Period

Eligible Directors must not transfer, pledge or otherwise dispose of the Allotted Shares which are allocated in accordance with the Allocation Agreement (“Transfer Restrictions”) during the period prescribed by the Board of Directors between five (5) and 30 years (“Transfer Restriction Period”). However, the Transfer Restriction Period shall be determined by the Board of Directors following deliberation by the Nomination and Compensation Committee and respecting the opinion of the Committee.

(3) Acquisition without consideration

In the event an Eligible Director retires during the Transfer Restriction Period or if certain types of misconduct arise such as violation of laws and regulations or the Company’s internal rules, or other conditions (to be determined by the Board of Directors) apply, whereby the Company acquires the Allotted Shares without consideration, established to maintain the purpose of the stock compensation plan, the Company will automatically acquire the Allotted Shares without consideration.

(4) Lifting of Transfer Restrictions

Notwithstanding the provisions of (2) above, the Company shall lift the Transfer Restrictions on all of the Allotted Shares when the Transfer Restriction Period expires, on the condition that the Eligible Director has continuously held the position of Director of the Board, Executive Manager, Executive Officer or employee of the Company or its subsidiary for the period from the date the Transfer Restriction Period begins to the date of the Annual General Meeting of Shareholders to report or determine the financial results for the fiscal year that includes the date the Transfer Restriction Period begins (“Eligible Service Period”). However, in the event that the Eligible Director retires before the Eligible Service Period expires without falling under any of the conditions for acquisition without consideration set forth in (3) above, the Company shall make reasonable adjustments, as necessary, regarding for how many Allotted Shares and when the Transfer Restrictions shall be lifted.

(5) Acquisition of remaining shares without consideration

The Company shall automatically acquire without consideration the Allotted Shares for which Transfer Restrictions have not been lifted according to (4) above, when the Transfer Restriction Period expires.

(6) Handling in case of business restructuring

In the event that matters related to organizational restructuring, etc. (“restructuring”), are approved at the Company’s General Meeting of Shareholders (or at a Board of Directors meeting, if the restructuring does not require approval at a General Meeting of Shareholders), the Company shall, by a resolution of the Board of Directors, lift the Transfer Restrictions for some Allotted Shares reasonably determined based on the period from the date the Transfer Restriction Period begins to the date the restructuring is approved, prior to the effective date of the restructuring. In this case, the Company shall automatically acquire without consideration any Allotted Shares for which the Transfer Restrictions have not been lifted immediately subsequent to the lifting of the Transfer Restrictions.

Proposal 9: Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Outside Directors and Directors of the Board Who Are Audit and Supervisory Committee Members) under the Performance-Based Stock Compensation System

At the 32nd Annual General Meeting of Shareholders held on December 23, 2020, shareholders approved the maximum amount of compensation for the granting of common stock to Directors of the Board (excluding Outside Directors), which is separate from the amount of monetary compensation, of no more than the amount obtained by multiplying 60,000 shares of common stock of the Company by the share price at the time of delivery for each of the three fiscal years covered by the system (the “Target Period”). This is a performance share unit system (the “PSU System”), a performance-based stock compensation system, established for the purposes of providing an incentive that encourages recipients to sustainably increase the Company’s corporate value and, at the same time, further promoting shared value between Directors of the Board and shareholders.

If Proposal 2, “Partial Amendments to the Articles of Incorporation,” is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. Therefore the Company requests approval to abolish the aforementioned compensation for granting common stock, and to reset the limit the total amount of monetary compensation claims for granting common stock to no more than the amount obtained by multiplying 60,000 shares of common stock of the Company by the share price at the time of delivery for each of the three fiscal years, which is the Target Period, for Directors of the Board (excluding Outside Directors and Directors of the Board who are Audit and Supervisory Committee Members; hereinafter referred to as “Eligible Directors”), separately from the compensation framework in Proposal 6, “Determination of Amount of Compensation, etc. for Directors of the Board (Excluding Directors of the Board who Are Audit and Supervisory Committee Members).” The Company also requests approval to leave the decision on the specific allocation to each Eligible Director to the discretion of the Board of Directors.

Specifically, the Company will grant monetary compensation claims to the Eligible Directors after the end of the Target Period (defined in (1) below) in accordance with the calculation method set forth below, and the Eligible Directors shall contribute all of their monetary compensation claims in kind upon the issuance of shares or disposal of treasury stock by the Company to receive delivery of the Company’s shares (Note 1). The total amount of monetary compensation claims to be paid by the Company to all Eligible Directors under the PSU System shall be no more than the amount calculated by multiplying 60,000 shares of common stock of the Company by the share price at the time of delivery (defined in (2) below) for each of the three fiscal years, which is the Target Period (Note 2).

An overview of the Company’s determination policy on the content of compensation for individual Directors of the Board is as described on pages 47 to 48 of the Business Report (in Japanese). At a Board of Directors meeting to be held after the conclusion of this General Meeting of Shareholders, the Company plans to change eligibility from “Directors of the Board” to “Directors of the Board (excluding Directors of the Board who are Audit and Supervisory Committee Members),” and there will be no substantive changes to the Policy. The Company believes that the payment of compensation under the PSU System under this Proposal is reasonable as stock-based compensation will be paid in accordance with the Policy after the change. The compensation will not include the employee salary portion for Directors of the Board who concurrently serve as employees.

There are currently three (3) Eligible Directors. However, if Proposal 2, “Partial Amendments to the Articles of Incorporation,” and Proposal 3, “Election of Five (5) Directors of the Board (Excluding Directors of the Board Who are Audit and Supervisory Committee Members),” are approved as proposed, the number of Eligible Directors will be two (2).

This Proposal will take effect on the condition that the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation,” take effect.

(Note 1) However, if an Eligible Director passes away and retires after the start of the Target Period but before the date of the Annual General Meeting of Shareholders (“Vesting Date”) for reporting or determining the financial results for the last fiscal year of the Target Period, compensation shall be delivered within three months from the date the heir of the Eligible Director identifies himself/herself as the successor by notifying the Company. No contribution in kind shall be made with respect to the monetary compensation claims, and only cash will be delivered to the heir who will be the Eligible Director’s successor. In addition, if, after the start of the Target Period but before the Vesting Date, a proposal concerning a merger agreement in which the Company becomes a dissolving company, a share transfer agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or an incorporation-type company split plan or absorption-type company split agreement in which the Company is the splitting company (limited to split by split-off), a reverse share split in which the Company will be controlled by a particular shareholder, the acquisition of wholly callable class stock, or a demand for sale of shares (collectively, “Restructuring”) is approved by a General Meeting of Shareholders of the Company (or at a Board of Directors meetings in cases where approval by a shareholders meeting is not required for the Restructuring) (provided, however, that the effective date of the Restructuring is planned to arrive prior to the date of delivery of shares in accordance with the PSU System), compensation shall be delivered within 30 days of the date of such approval. No contribution in kind shall be made with respect to the monetary compensation claims, and only cash will be delivered to the Eligible Director.

(Note 2) If the total number of shares issued of the Company increases or decreases due to a reverse share split or a share split (including the gratis allocation of shares and the same applies hereinafter for share splits), the maximum number of shares shall be reasonably adjusted according to the ratio thereof.

(1) Overview of the PSU System

The PSU System is a performance-based stock compensation system under which three consecutive fiscal years are set as the performance evaluation period (the “Target Period”; the initial Target Period shall be from the fiscal year ending September 30, 2024 (October 1, 2023 to September 30, 2024) to the fiscal year ending September 30, 2026 (October 1, 2025 to September 30, 2026), and the PSU System is expected to be continued for each of the three consecutive fiscal years after the fiscal year ending September 30, 2027 (October 1, 2026 to September 30, 2027) to the extent approved at this General Meeting of Shareholders). The Board of Directors will set numerical targets for the Company’s performance and other factors for the entire Target Period and for each fiscal year, and deliver the number of common stock in the Company in proportion to the rate of achievement of such numerical targets to the Eligible Directors after the Target Period ends.

As the PSU System delivers shares of common stock of the Company in proportion to the rate of achievement of the aforementioned numerical targets and other indicators, at this time, it has not yet been determined whether and how many shares of common stock of the Company will be delivered.

(2) Method of calculating the number of common stock of the Company to be granted to the Eligible Directors and the amount of monetary compensation claims for the acquisition of such shares

The amount of the monetary compensation claims to be paid to the Eligible Director will be calculated by multiplying the number of shares to be delivered to the Eligible Director under the PSU System (“Base Number of Shares”) (Note 3) by the share price at the time of delivery (Note 4).

(Note 3) “Base Number of Shares” means the number of shares that will form the basis for the compensation to be paid to the Eligible Directors under the PSU System, the details of which are described below.

(Note 4) “Share price at the time of delivery” means the closing price (or the closing price on the most recent trading day preceding such date if no transactions are executed that day) of common stock of the Company during regular trading on the Tokyo Stock Exchange on the business day immediately

preceding the date of the resolution at the Board of Directors meeting to determine the issuance of shares or the disposal of treasury stock for such delivery, which is held within two months of the close of the Annual General Meeting of Shareholders to report or determine the financial results for the last fiscal year during the Target Period. If an Eligible Director passes away and retires after the start of the Target Period but before the Vesting Date, the closing price of common stock of the Company during regular trading on the date of the Eligible Director's retirement (or the closing price on the most recent trading day preceding such date if no transactions are executed that day) will be multiplied rather than the share price at the time of delivery. In addition, if after the start of the Target Period but before the Vesting Date, a proposal concerning Restructuring is approved by a General Meeting of Shareholders of the Company (or at a Board of Directors meeting in cases where approval by a shareholders meeting is not required for the Restructuring), the closing price of common stock of the Company during regular trading on the date of the approval (or the closing price on the most recent trading day preceding such date if no transactions are executed that day) will be multiplied rather than the share price at the time of delivery.

Under the PSU System, the Base Number of Shares is the total number of units of the aggregate of the number of units to be determined after the end of each fiscal year during the Target Period, and the number of units to be determined after the end of the Target Period for the entire Target Period. The number of units for each fiscal year shall be the number calculated by multiplying (a) the number of units based on the standard amount of compensation to be paid, the number of which is calculated by dividing the standard amount of compensation ("Standard Compensation Amount") for the Eligible Director determined for each position category on the first day of the relevant fiscal year (or the date the Eligible Director took office if appointment as Director of the Board was made during the relevant fiscal year) by the standard share price (defined below), by (b) the payment rate according to the performance achievement rate, and (c) the qualitative evaluation multiplier (Note 5).

However, the maximum total Base Number of Shares for all Eligible Directors shall be 60,000 shares of common stock of the Company for each Target Period. If the total Base Number of Shares for all Eligible Directors exceeds the aforementioned maximum number, the Base Number of Shares for each Eligible Director shall be the number obtained by multiplying the maximum number of shares by the ratio of the Base Number of Shares for the relevant Eligible Director to the total Base Number of Shares for all Eligible Directors.

(Note 5) Any fraction less than one unit resulting from the calculation shall be rounded down.

Specifically, calculations shall be made in accordance with the following formula. In addition, if, after the date on which this Proposal is approved, a share split or reverses share split of common stock of the Company is conducted, or if circumstances arise requiring adjustments to the following calculation items, the necessary items will be adjusted to a reasonable extent.

(Formula for calculating the Base Number of Shares)

Base Number of Shares	
=	Aggregate of the number of units to be determined after the end of each fiscal year during the Target Period (for three consecutive fiscal years)
	+
	Number of units to be determined after the end of the Target Period for the entire Target Period

(Formula for calculating the number of units to be determined for each fiscal year)

Number of units for each fiscal year
= Number of units based on the Standard Compensation Amount ((a)) × payment rate according to the performance achievement rate ((b)) for each fiscal year × qualitative evaluation multiplier ((c))

(Formula for calculating the number of units to be determined for the entire Target Period)

Number of units for the entire Target Period
= Average of the number of units based on the Standard Compensation Amount ((a)) for each fiscal year during the Target Period × payment rate according to the performance achievement rate ((b)) for the entire Target Period × qualitative evaluation multiplier ((c))

(a) Number of units based on the Standard Compensation Amount

Number of units based on the Standard Compensation Amount
= $\frac{\text{Standard Compensation Amount (i)}}{\text{Standard share price (ii)}}$

(i) Standard Compensation Amount

The Standard Compensation Amount shall be determined by the Board of Directors taking into consideration the position of each Eligible Director.

(ii) Standard share price

The standard share price means the closing price of common stock of the Company during regular trading on the Tokyo Stock Exchange on the first trading day of the Target Period (or the closing price on the most recent trading day preceding such date if no transactions are executed that day).

(b) Payment rate according to the performance achievement rate

The payment rate according to the performance achievement rate shall be calculated in the range of negative 100% to 400% (annual rate) in accordance with the method determined by the Board of Directors according to the degree of achievement of the Company's overall and individual net sales and operating profit targets for each fiscal year during the Target Period or the entire Target Period.

(c) Qualitative evaluation multiplier

Qualitative evaluation multipliers are determined by the Board of Directors in accordance with evaluation items such as the organization, human resource development, and contributions to the future.

(3) Conditions for payment of compensation under the PSU System to Eligible Directors

If an Eligible Director falls under any of the conditions for forfeiture (to be determined by the Board of Directors) established to maintain the purpose of the stock compensation plan, no monetary compensation claims shall be paid to the Eligible Director under the PSU System, and therefore no shares of the Company shall be delivered.