

(Note) This document is an abridged translation 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

(Stock Exchange Code 4350)  
June 6, 2022

To Our Shareholders

Inao Tajiri  
President and Representative Director  
Medical System Network Co., Ltd.  
24-3 Kitajujo-Nishi, Chuo-ku, Sapporo

## Notice of the 24th Ordinary General Meeting of Shareholders

We are pleased to announce that the 24th Ordinary General Meeting of Shareholders of Medical System Network Co., Ltd. (the "Company") will be held for the purposes as described below.

In light of the state of the spread of COVID-19, we will hold the meeting upon implementing appropriate infection prevention measures.

You may exercise your voting rights in writing or via electronic means (the Internet, etc.) in lieu of attending the meeting in person. Please review the attached Reference Documents for the General Meeting of Shareholders, and follow the guide on page 3 to exercise your voting rights no later than 5:30 p.m. on Tuesday, June 21, 2022 (JST).

**1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. (JST)

**2. Place:** Park Hall A and B, 3F, Sapporo Park Hotel  
3-1-1 Minamijujo-Nishi, Chuo-ku, Sapporo

**3. Meeting Agenda:**

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 24th Fiscal Year (April 1, 2021–March 31, 2022) 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 24th Fiscal Year (April 1, 2021–March 31, 2022)

**Proposals to be resolved:**

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Partial amendment to the Articles of Incorporation

**Proposal 3:** Election of one (1) Audit & Supervisory Board Member

In the event the status of COVID-19 and other factors going forward result in major changes in the operation of the General Meeting of Shareholders such as a decision to change the date, time, or place of the event stated in this Notice, we shall make an announcement on our website (<https://www.msnw.co.jp/ir/stock/general-meeting/>).

**Notice on measures in response to COVID-19**

To prevent infections and the spread of COVID-19, the following measures will be adopted at our General Meeting of Shareholders. We kindly ask for your understanding and cooperation.

- To secure wide space between our shareholders' seats, the number of seats available at the venue will be limited to about 60. Therefore, please be advised that we may need to refuse admission of some shareholders even if they come to the venue.
- We ask that shareholders attending the General Meeting of Shareholders in person wear a mask.
- If shareholders arriving at the venue are considered to be in poor health, they will be refused admission.
- We recommend those who are elderly, have underlying conditions, are pregnant, are accompanied by small children, or in poor health to consider not attending the General Meeting of Shareholders.
- To prevent infections, we will cancel our annual Management Policy Briefing session.
- Please note that no souvenirs will be provided to shareholders attending the meeting this year.

- \* When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- \* Among the documents to be provided, the items listed below are posted on the Company website in accordance with the provisions of law and regulations and Article 13 of the Company's Articles of Incorporation. As such, they are not included in the documents attached to this Notice.
  - (1) Notes to Consolidated Financial Statements
  - (2) Notes to Non-consolidated Financial Statements
- \* In the event the attached documents and the Reference Documents for the General Meeting of Shareholders require revisions, their revised versions will be posted on the Company website.

Company Website <https://www.msnw.co.jp/ir/stock/general-meeting/>

## Guide to Exercising Voting Rights

If

**ATTENDING**

the meeting



### Submit at the reception desk of venue

Please present the enclosed Voting Rights Exercise Form at the reception desk on the day of the General Meeting of Shareholders.

If

**NOT ATTENDING**

the meeting



### Send by mail

Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and mail back the form to the Company so that it is received by the deadline for exercise of voting rights.



### Internet

Please access the voting rights exercise website (<https://soukai.mizuho-tb.co.jp/>) using your computer, smartphone, etc. Log in by entering the code and password for exercising voting rights printed on the enclosed Voting Rights Exercise Form, follow the instructions on the screen, and enter your votes for or against each of the proposals before the deadline.



### Smartphones

Please scan the QR Code printed on the lower right corner of the Voting Rights Exercise Form to access the voting rights exercise website. Follow the instructions on the screen, and enter your votes for or against each of the proposals before the deadline.

**Deadline for exercise of voting rights: 5:30 p.m. on Tuesday, June 21, 2022 (JST)**

### Platform for electronic exercise of voting rights

Institutional investors can use the electronic voting platform operated by ICJ, Inc. as a means to electronically exercise their voting rights at the Company's General Meeting of Shareholders, provided they apply for the use of platform in advance.

## Reference Documents for the General Meeting of Shareholders

### Proposals and reference items

#### Proposal 1: Appropriation of surplus

The Company's basic policy is to maintain stable payment of dividends to shareholders in a manner commensurate with our business performance, while securing the internal reserves necessary to strengthen our financial position, expand the scale of business, and develop human resources.

In accordance with the above policy, the Company proposes to pay year-end dividends for the fiscal year under review as follows.

Matters concerning year-end dividends

(1) Matters concerning the allotment of dividend property to shareholders and the total amount thereof

Per share of ordinary shares of the Company: 7 yen

(6 yen in ordinary dividend and 1 yen to commemorate the Company's 20th anniversary of exchange listing)

Total amount: 214,056,815 yen

(2) Effective date of distribution of surplus: June 23, 2022

\* As the Company has already paid an interim dividend of 5 yen per share, the annual dividend for the fiscal year under review will be 12 yen per share.

#### Proposal 2: Partial amendment to the Articles of Incorporation

(1) Reason for the proposal

The provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019), setting forth a system for providing materials for general meetings of shareholders in electronic format, will come into force on September 1, 2022. Accordingly, the Company proposes a partial amendment to the Articles of Incorporation to provide that information constituting the content of the Reference Documents for the General Meeting of Shareholders, etc. be offered electronically, and the scope be limited in terms of items to be included in the paper-based documents delivered to shareholders requesting delivery of hard copies.

Since the existing provision regarding Internet disclosure and deemed provision of Reference Documents for the General Meeting of Shareholders, etc. will become unnecessary, the Company proposes to delete it and establish supplementary provisions on the effective date, etc. in conjunction with the aforementioned changes.

(2) Details of the change

The details of the change are as follows.

(Underlines indicate changes.)

Current Articles of Incorporation	Proposed change
<p><u>(Internet disclosure and deemed provision of Reference Documents for the General Meeting of Shareholders, etc.)</u></p> <p><u>Article 13</u></p> <p><u>In convening a General Meeting of Shareholders, the Company may be deemed to have provided to its shareholders information regarding matters to be described or stated in the Reference Materials for the General Meeting of Shareholders, Business Report, and Non-consolidated and Consolidated Financial Statements by disclosing such information using the Internet in accordance with the relevant Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Measures for providing information in electronic format, etc.)</u></p> <p><u>Article 13</u></p> <p><u>1. In convening a General Meeting of Shareholders, the Company shall take measures for providing information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. in electronic format.</u></p> <p><u>2. Among the matters to be provided in electronic format, with regard to all or some of the matters stipulated by the relevant Ordinance of the Ministry of Justice, the Company may choose to omit them from the paper-based documents to be delivered to those shareholders who have requested delivery of hard copies by the record date of voting rights.</u></p>
<p>(Newly established)</p>	<p><u>(Supplementary provisions)</u></p> <p><u>1. The deletion of Article 13 (Internet disclosure and deemed provision of Reference Documents for the General Meeting of Shareholders, etc.) of the Articles of Incorporation before amendment and the establishment of Article 13 (Measures for providing information in electronic format, etc.) after amendment shall come into effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 13 (Internet disclosure and deemed provision of Reference Documents for the General Meeting of Shareholders, etc.) before amendment shall remain in force with respect to a General Meeting of Shareholders to be held before the end of February 2023.</u></p> <p><u>3. These supplementary provisions shall be deleted on March 1, 2023 or after the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

### Proposal 3: Election of one (1) Audit & Supervisory Board Member

The Company proposes the election of one (1) Audit & Supervisory Board Member for the purpose of strengthening and enhancing its auditing system.

The Company has obtained the approval of the Audit & Supervisory Board for submitting this proposal.

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

Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
* Satoshi Sato (September 7, 1960)	April 1983 Joined Hokkaido Government April 2012 Health and Safety Bureau Chief, Health and Welfare Department, Hokkaido Government April 2014 Community Safety Promotion Bureau Chief, Environmental and Community Affairs Department, Hokkaido Government April 2016 Deputy Executive Director, Construction Department, Hokkaido Government April 2017 Executive Director of Health and Welfare Department, Hokkaido Government April 2019 Executive Director of General Affairs Department and Head of the Northern Territories Task Force, Hokkaido Government April 2020 Audit and Inspection Commissioner, Hokkaido Government	—
Reason for nomination as candidate for Outside Audit & Supervisory Board Member: Mr. Satoshi Sato has many years of experience in administrative posts as well as experience as an Audit and Inspection Commissioner at the Hokkaido Government. The Company expects him to reflect his wealth of experience and broad insight in the field of government affairs to the audit of the Company's Community Pharmacy Business and other businesses. Therefore, we propose his election as an Outside Audit & Supervisory Board Member.		

- (Notes) 1. The asterisk (\*) next to the name represents a candidate for newly appointed Audit & Supervisory Board Member.
2. There are no special interests between the Audit & Supervisory Board Member candidate and the Company.
3. Mr. Satoshi Sato is a candidate for Outside Audit & Supervisory Board Member.
4. Matters concerning the Outside Audit & Supervisory Board Member candidate are as follows.
- (1) Limited liability agreement with Outside Audit & Supervisory Board Members  
If Mr. Satoshi Sato is elected as an Audit & Supervisory Board Member, he and the Company will enter into an agreement limiting his liability to the higher of either one million yen or the minimum liability amount as defined in Article 423, Paragraph 1 of the Companies Act, provided he performs his duties as an Audit & Supervisory Board Member in good faith and without gross negligence.
  - (2) Disclosure as an Independent Officer  
In the event Mr. Satoshi Sato is elected as an Audit & Supervisory Board Member, the Company plans to notify Tokyo Stock Exchange, Inc. of his position as an Independent Officer stipulated in Rule 436-2 of the Securities Listing Regulations of the said Exchange.
5. The Company plans to enter into an indemnity contract with Mr. Satoshi Sato, as stipulated in Article 430-2, Paragraph 1 of the Companies Act. Under the indemnity contract, the Company will provide compensation for expenses as per Paragraph 1, Item 1 of the said Article and losses as per Item 2 of the said Paragraph within the range stipulated by laws and regulations.
6. The Company enters into a directors and officers liability insurance contract, stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The contract covers compensation for damages that may be incurred by the insured as a result of assuming responsibility for the execution of his or her duty or for being filed claims related to the pursuit of such responsibility. If the candidate is appointed as an Audit & Supervisory Board Member, he will be designated as the insured in the insurance contract. In addition, the Company plans to have the contract renewed under the same conditions during his term in office.