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(Stock Exchange Code 4350)

June 6, 2025

(Start date of measures for electronic provision: May 28, 2025)

To Our Shareholders

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

## **Notice of the 27th Ordinary General Meeting of Shareholders**

We are pleased to announce that the 26th Ordinary General Meeting of Shareholders of Medical System Network Co., Ltd. (the “Company”) will be held for the purposes as described below.

For the convocation of this General Meeting of Shareholders, the Company has adopted the measures for electronic provision of materials, and the items that apply to the said measures are posted on the website shown below.

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

In addition to the above website, such items are also posted on the following website.

Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

Please access the above website, enter the Company name or securities code, click “Search,” and select “Basic information,” then “Documents for public inspection/PR information” to view the items.

If you are unable to attend the meeting, you may exercise your voting rights either in writing (by mail) or via the Internet. Please review the enclosed Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Monday, June 23, 2025 (JST).

**1. Date and Time:** Thursday, June 24, 2025 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, Consolidated Financial Statements, and the Audit Reports by the Accounting Auditor and the Audit & Supervisory Committee on the Consolidated Financial Statements for the 27th Fiscal Year (April 1, 2024–March 31, 2025)
  2. Non-consolidated Financial Statements for the Company's 27th Fiscal Year (April 1, 2024–March 31, 2025)

**Proposals to be resolved:**

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Election of Thirteen (13) Directors (excluding those who are members of the Audit & Supervisory Committee)

**Proposal 3:** Election of Four (4) Directors who are Audit & Supervisory Committee Members

- No souvenirs will be provided to shareholders attending the General Meeting of Shareholders.
- If you plan to attend the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist upon arrival.
- If you are attending the meeting in a wheelchair, etc. and require assistance with your wheelchair or guidance to your seat or to the restroom, the venue staff will assist you.
- To view the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and Audit Reports, please visit the Company's website or access them via the QR code for Online Convocation provided on the cover page.
- For shareholders who have not requested for the delivery of printed materials, we have mailed the Reference Documents for the General Meeting of Shareholders along with the convocation notice.  
Of the matters subject to electronic provision, the following items have been omitted from the printed materials delivered to shareholders who requested such delivery, in accordance with relevant laws and regulations and Article 13 of the Company's Articles of Incorporation. Please note that the documents subject to audit, including the items listed below, have been audited by the Audit & Supervisory Committee and the Accounting Auditor.
  - 1) Notes to the Consolidated Financial Statements
  - 2) Notes to the Non-consolidated Financial Statements

#### Management Policy Briefing

We will be holding a Management Policy Briefing after the conclusion of the General Meeting of Shareholders at the same venue. We kindly ask that you attend this briefing as well (about 20 minutes long).

Company website: <a href="https://www.msnw.co.jp/ir/stock/general-meeting/">https://www.msnw.co.jp/ir/stock/general-meeting/</a>
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## 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: 6 yen

Total amount: 178,857,270 yen

- (2) Effective date of distribution of surplus: June 25, 2025

\* As the Company has already paid an interim dividend of 6 yen per share, the annual dividend for the fiscal year under review will be 12 yen per share.

**Proposal 2: Election of Thirteen (13) Directors (excluding those who are members of the Audit & Supervisory Committee)**

The Company proposes the election of thirteen (13) Directors (excluding those who are members of the Audit & Supervisory Committee), as the terms of office of all thirteen (13) Directors (excluding those who are members of the Audit & Supervisory Committee) will expire at the conclusion of the General Meeting of Shareholders.

The candidates for Director (excluding those who are members of the Audit & Supervisory Committee) are as below.

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
1	Inao Tajiri (May 20, 1948)	<p>March 1974    Joined Ichino Yamagata Pharmaceutical Co., Ltd.</p> <p>January 1981    Joined Medical Yamagata Pharmaceutical Co., Ltd.</p> <p>November 1989    Representative Director of Medical Yamagata Pharmaceutical Co., Ltd.</p> <p>June 1991    Director of Akiyama Aiseikan Co., Ltd. (currently Suzuken Co., Ltd.)</p> <p>September 1999    Established the Company and became Representative Director and President (current position)</p> <p>April 2000    President of Social Welfare Corporation Nomad Fukushima (current position)</p> <p>December 2004    Representative Director of Nihon Leben Co., Ltd.</p> <p>February 2005    Representative Director of MM Net Co., Ltd.</p> <p>April 2013    Representative Director and President of SMO-MDS Co., Ltd.</p> <p>July 2013    Executive Vice President and Representative Director of H&amp;M Co., Ltd.</p> <p>June 2015    Representative Director and President of H&amp;M Co., Ltd.</p> <p>January 2016    President of Social Welfare Corporation Hokushikai</p> <p>September 2016    Representative Director and President of Feldsenf Pharma Co., Ltd.</p> <p>October 2017    In charge of the SCM Division of the Company In charge of the Development Division of the Company</p> <p>June 2019    In charge of the Leasing and Facility Related Business of the Company (current position)</p> <p>June 2020    Representative Director and Chairman of Feldsenf Pharma Co., Ltd. (current position)</p> <p>May 2024    Chairperson of the Board, Koumei Gakuen Educational Corporation (current position)</p>	807,400
<p>Reason for nomination as candidate for Director: The candidate works to expand operations and enhance sustainable corporate value of the Company and the Group as a whole through strong leadership, and based on abundant business experience and broad insight concerning all aspects of business management. He also fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
2	Jiro Akino (May 7, 1948)	<div>March 1971    Joined Ichino Yamagata Pharmaceutical Co., Ltd.</div> <div>January 1983    Established Ichino Akino YK and became Representative Director</div> <div>September 1999    Established the Company and became Representative Director and Senior Managing Director</div> <div>September 2004    Representative Director of Pharma Holding Co., Ltd.</div> <div>June 2015    Representative Director and Executive Vice President of the Company (current position)</div> <div>October 2017    In charge of the Pharmacy Division of the Company</div>	2,221,200
Reason for nomination as candidate for Director: The candidate works to expand operations and enhance sustainable corporate value of the Company and the Group as a whole through strong leadership, and based on abundant business experience in all aspects of business management as well as broad insight into management of community pharmacies. He also fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
3	Yoshihiro Tanaka (December 4, 1969)	<p>April 1992      Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>June 2006      Joined the Company as General Manager of Corporate Planning Department</p> <p>December 2006      Director and General Manager of Corporate Planning Department of the Company</p> <p>December 2008      Managing Director and General Manager of Corporate Planning Department of the Company</p> <p>October 2012      Managing Director of the Company</p> <p>June 2015      Senior Managing Director of the Company</p> <p>June 2017      Director and Senior Managing Executive Officer of the Company</p> <p>October 2017      In charge of the Management Strategy Division of the Company (current position)</p> <p>June 2019      In charge of the Community Pharmacy Network Business of the Company (current position)</p> <p>June 2021      Representative Director and Executive Vice President of the Company (current position)</p>	77,100
<p>Reason for nomination as candidate for Director: The candidate has abundant experience and broad insight concerning corporate planning and M&amp;A. As the one in charge of the community pharmacy network and management strategy domains, he also fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.</p>			



No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
4	<b>Makoto Sakashita</b> (May 23, 1957)	May 2001      Joined Pharma Holding Co., Ltd. December 2004      Director of the Company June 2005      Representative Director of AKK Co., Ltd. December 2005      Retired from the position of Director of the Company December 2007      Joined the Company and became General Manager of General Affairs Department December 2008      Director and General Manager of General Affairs Department of the Company December 2010      Managing Director and General Manager of General Affairs Department of the Company April 2012      Managing Director of the Company June 2015      Senior Managing Director of the Company June 2017      Director and Senior Managing Executive Officer of the Company (current position) October 2017      Head of Administrative Division and General Head of Medical and Welfare Support Division of the Company (current position) June 2024      In charge of the Administrative Division of the Company (current position)	16,500
Reason for nomination as candidate for Director: The candidate has abundant experience and broad insight in the HR, general affairs, and the medical and welfare consulting domains, and fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.			



No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
6	Akira Aoyama (February 23, 1957)	<p>April 1980      Joined Suwa Seikosha Co., Ltd. (currently Seiko Epson Corporation)</p> <p>January 1992    Director of Epson Medical Co., Ltd. (currently EM Systems Co., Ltd.)</p> <p>October 1994    Managing Director of Epson Medical</p> <p>June 2002      Representative Director and Senior Managing Director of Epson Medical</p> <p>November 2012 Director and Executive Vice President of Epson Medical</p> <p>June 2013      Managing Director of the Company</p> <p>June 2017      Director and Managing Executive Officer of the Company (current position)</p> <p>October 2017    Head of Systems Division of the Company (current position)</p> <p>April 2019      General Manager of Pharmacy Systems Department of the Company</p> <p>June 2020      General Manager of Field Service Department of the Company</p>	100,000
		<p>Reason for nomination as candidate for Director: The candidate has abundant experience and broad insight in the information systems domain, and fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.</p>	



No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
8	Kentaro Tago (May 29, 1974)	<p>April 1997      Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2002      Joined Mizuho Securities Co., Ltd.</p> <p>September 2015      Joined the Company</p> <p>January 2016      General Manager of Corporate Planning Department of the Company</p> <p>June 2016      Director and General Manager of Corporate Planning Department of the Company</p> <p>June 2017      Executive Officer and General Manager of Corporate Planning Department of the Company</p> <p>October 2017      Head of Management Strategy Division of the Company (current position)</p> <p>June 2019      Director and Executive Officer of the Company In charge of Meal Catering Business of the Company (current position)</p> <p>October 2020      Representative Director and President of PharmaShift Co., Ltd. (current position)</p> <p>June 2024      Director and Managing Executive Officer of the Company (current position)</p>	34,400
<p>Reason for nomination as candidate for Director: In addition to having abundant experience and broad insight in the management strategy domain, the candidate drives the Digital Shift Business as Representative Director and President of PharmaShift Co., Ltd., and also fulfills his role appropriately in making decisions on important management matters and in supervising business execution. Therefore, we propose his continued appointment as Director.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
9	Kenji Shimizu (October 29, 1961)	April 1984    Joined Sanseido Co., Ltd. (currently Mediceo Corporation)	1,700
		April 2020    Joined the Company General Manager of the SCM Division of the Company	
		December 2020    Executive Officer of the Company Head of the SCM Division of the Company (current position)	
		June 2023    Director and Executive Officer of the Company (current position)	
		September 2023    General Manager of the Network Sales Division of the Company	
		April 2024    General Manager of the Distribution Promotion Division of the Company	
		July 2024    General Manager of Marketing Department of the Company (current position)	
Reason for nomination as candidate for Director: We propose the reelection of Mr. Kenji Shimizu as Director of the Company. In addition to having extensive experience in the pharmaceutical wholesale industry, Mr. Shimizu has built a track record in the Pharmaceutical Network Business and has appropriately executed his role, including making decisions on important management matters and supervising the execution of business operations.			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
10	Shuichi Nakamura (August 22, 1948)	<p>April 1973      Joined Ministry of Health and Welfare</p> <p>August 2002    Director General of Health and Welfare Bureau for the Elderly at the Ministry of Health, Labour and Welfare</p> <p>August 2005    Director General of Social Welfare and War Victims' Relief Bureau</p> <p>September 2008 Head of Health Insurance Claims Review &amp; Reimbursement Services</p> <p>October 2010   Head of team on social security reform deliberations, Cabinet Secretariat of Japan</p> <p>January 2012   President of general incorporated association, Forum for Social Security Policies (current position)</p> <p>April 2012      Professor, Graduate School of the International University of Health and Welfare (current position)</p> <p>June 2014      Outside Director (Audit &amp; Supervisory Committee Member) of France Bed Holdings Co., Ltd. (current position)</p> <p>June 2019      Director of the Company (current position)</p> <p>June 2024      Chairperson of the Board, Ninjinnokai Social Welfare Organization (current position)</p>	0
<p>Reason for nomination as candidate for Director: The candidate has many years of government experience in health, labor, and welfare administration, and we would like him to apply his abundant experience and broad insight in the fields of medical care, long-term care, and welfare to the management of the Company. Therefore, we propose his continued appointment as Director.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
11	Akio Koike (July 28, 1946)	<p>July 1969      Joined Japanese National Railways</p> <p>April 1987      Joined Hokkaido Railway Company (HRC) General Manager of Business Management Office, General Planning Division</p> <p>June 1994      Director and Deputy Head of General Planning Division of HRC</p> <p>June 2000      Representative Director, Senior Managing Director, and General Manager of Development Division of HRC</p> <p>June 2003      Representative Director and President of HRC</p> <p>June 2007      Representative Director and Chairman of HRC</p> <p>November 2011   Representative Director and President of HRC</p> <p>June 2013      Representative Director and Chairman of HRC</p> <p>June 2015      Director of the Company (current position)</p> <p>May 2024      Outside Director, Arcs Co., Ltd. (current position)</p>	27,800
<p>Reason for nomination as candidate for Outside Director: We would like the candidate to apply his knowledge, abundant experience, and broad insight as a top executive to the management of the Company. Therefore, we propose his continued appointment as Director.</p> <p>Summary of expected role to be fulfilled if elected Outside Director: If elected an Outside Director, we expect Mr. Akio Koike to provide appropriate advice and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>			



No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
12	Kozo Isshiki (January 28, 1946)	<p>July 1969      Joined Development Bank of Japan (currently Development Bank of Japan Inc.)</p> <p>June 2001      Executive Director of Development Bank of Japan Inc.</p> <p>May 2005      Director and Chairman of Technology Alliance Investment Ltd.</p> <p>July 2007      Outside Director of Fukoku Mutual Life Insurance Company</p> <p>June 2009      Full-time Audit &amp; Supervisory Board Member of Isuzu Motors Limited</p> <p>July 2013      Senior Advisor to New Otani Co., Ltd.</p> <p>June 2015      Director of the Company (current position)</p> <p>March 2019      Outside Director of Showa Denko K.K. (currently Resonac Holdings Corporation) (current position)</p>	0
<p>Reason for nomination as candidate for Outside Director: We would like the candidate to apply to the management of the Company his extensive knowledge of finance, deep insight into corporate audit, and business experience in a wide range of fields. Therefore, we propose his continued appointment as Director.</p> <p>Summary of expected role to be fulfilled if elected Outside Director: If elected an Outside Director, we expect Mr. Kozo Isshiki to provide appropriate advice and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
13	Toshiko Ibe (January 3, 1947)	<p>April 1969      Joined St. Luke's International Hospital</p> <p>April 1987      Lecturer, Japanese Red Cross College of Nursing</p> <p>May 1993       Vice President of the Hospital and Chief Nursing Officer, St. Luke's International Hospital</p> <p>April 2003      Professor, St. Luke's College of Nursing (currently St. Luke's International University)</p> <p>April 2004      President, St. Luke's College of Nursing</p> <p>April 2012      Director of general incorporated association Forum for Social Security Policies (current position)</p> <p>October 2014   Representative Director and President of Japanese Nursing Association Publishing Company (current position)</p> <p>April 2016      Specially Appointed Professor, St. Luke's International University</p> <p>April 2017      Professor Emeritus, St. Luke's International University (current position)</p> <p>Representative Director of IBE Institute of Nursing Administration (current position)</p> <p>April 2019      Vice Chairperson and Dean of the Faculty of Nursing, Nagano University of Health and Medicine</p> <p>June 2019      Director of the Company (current position)</p>	0
<p>Reason for nomination as candidate for Outside Director: The candidate has many years of experience in the work, management, and education of nurses, and we would like her to apply her abundant experience and broad insight in the fields of medical care, long-term care, and welfare to the management of the Company. Therefore, we propose her continued appointment as Outside Director.</p> <p>Summary of expected role to be fulfilled if elected Outside Director: If elected an Outside Director, we expect Ms. Toshiko Ibe to provide appropriate advice and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>			

- (Notes) 1. Matters that require special mention regarding special interests between the Director candidates and the company are as follows.
- (1) Mr. Shuichi Nakamura and Ms. Toshiko Ibe concurrently serve as President and Director of the general incorporated association Forum for Social Security Policy, respectively, and the Company makes donations to the said entity. Ms. Toshiko Ibe serves the said entity on a part-time basis and does not receive and remuneration therefrom.
  - (2) There are no special interests between the other Director candidates and the Company.
2. Matters concerning the candidates for Outside Directors are as follows.
- (1) Mr. Akio Koike, Mr. Kozo Isshiki, and Ms. Toshiko Ibe are candidates for Outside Directors.
  - (2) Mr. Akio Koike and Mr. Kozo Isshiki are currently Outside Directors of the Company, and they will have served for nine (9) years in office as of the end of the General Meeting of Shareholders. Ms. Toshiko Ibe is currently an Outside Director of the Company, and she will have held the position for five (5) years as of the end of the General Meeting of Shareholders.
  - (3) The Company has notified the Tokyo Stock Exchange, Inc. of the positions of Mr. Akio Koike, Mr. Kozo Isshiki, and Ms. Toshiko Ibe as Independent Officers stipulated in Article 436-2 of the Securities Listing Regulations of the said Exchange. If elected, they will continue to be Independent Officers.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Shuichi Nakamura, Mr. Akio Koike, Mr. Kozo Isshiki, and Ms. Toshiko Ibe to limit their liability for damages set forth in Article 423, Paragraph 1 of the said Act. If they are elected, the Company will continue the agreement with each candidate
4. The Company has entered into an indemnity agreement with each Director pursuant to Article 430-2, Paragraph 1 of the Companies Act, whereby the Company will indemnify each Director for the expenses set forth in Item 1 and losses set forth in Item 2 of the same Paragraph to the extent specified by laws and regulations. The Company plans to continue the agreement with each Director if his/her reelection is approved.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages that may arise from the insured being liable for the performance of his/her duty in the capacity of his/her office, or being subject to a claim for such liability. If reelected, the candidates for Directors will remain the insured for the insurance contract. The Company plans to renew the insurance policy with the same terms and conditions during the terms of office of the Directors.
6. The Audit & Supervisory Committee has deliberated on the election of the candidates for Directors (excluding those who are members of the Audit & Supervisory Committee). As a result of evaluating the candidates on their qualifications as well as their business execution and performance during the fiscal year under review, the Committee has determined that each candidate is qualified to serve as Director of the Company.

**Proposal 3: Election of Four (4) Directors who are Audit & Supervisory Committee Members**

The Company proposes the election of four (4) Directors who are members of the Audit & Supervisory Committee, as the terms of office of all four (4) such Directors will expire at the conclusion of the General Meeting of Shareholders. This proposal has been approved by the Audit & Supervisory Committee.

The candidates for Directors serving as an Audit & Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
1	* Satoshi Sato (September 7, 1960)	<p>April 1983      Joined Hokkaido Government</p> <p>April 2012      Health and Safety Bureau Chief, Health and Welfare Department, Hokkaido Prefecture</p> <p>April 2014      Community Safety Promotion Bureau Chief, Environmental and Community Affairs Department, Hokkaido Prefecture</p> <p>April 2016      Deputy Executive Director, Construction Department, Hokkaido Prefecture</p> <p>April 2017      Executive Director of Health and Welfare Department, Hokkaido Prefecture</p> <p>April 2019      Executive Director of General Affairs Department and Head of the Northern Territories Task Force</p> <p>April 2020      Audit and Inspection Commissioner, Hokkaido Prefecture</p> <p>June 2022      Full-time Audit &amp; Supervisory Board Member of the Company</p> <p>June 2023      Director (Audit &amp; Supervisory Committee Member) of the Company (current position)</p>	0
<p>Reason for nomination as candidate for Outside Director serving as Audit &amp; Supervisory Committee Member: The candidate has many years of experience in administrative posts at the Hokkaido Government as well as experience as an Audit and Inspection Commissioner of the Hokkaido Prefecture. As such, we have determined that he would be able to apply his abundant experience and broad insight concerning public administration to the audit and supervision of the Company's Community Pharmacy Business and other businesses. Therefore, we propose his appointment as Outside Director serving as an Audit &amp; Supervisory Committee Member.</p> <p>Summary of expected role to be fulfilled if elected Outside Director serving as Audit &amp; Supervisory Committee Member: If elected Outside Director serving as an Audit &amp; Supervisory Committee Member, we expect Mr. Satoshi Sato to provide appropriate advice, audit, and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
2	*Kengo Saito (March 3, 1966)	<p>April 1989    Joined The Fuji Bank, Limited (current Mizuho Bank, Ltd.)</p> <p>April 1991    Joined the Sapporo City Government</p> <p>April 2017    Director, Northern Municipal Tax Office, Tax Policy Department, Finance Bureau of Sapporo</p> <p>April 2019    Director, Environmental Services Department, Environmental Bureau of Sapporo</p> <p>April 2021    Director in charge of Tax Administration, Finance Bureau of Sapporo</p> <p>April 2023    Director in Charge of Tax Administration and Contract Management, Finance Bureau of Sapporo</p>	0
<p>Reason for nomination as candidate for Outside Director serving as Audit &amp; Supervisory Committee Member:</p> <p>In addition to having held key positions within the Sapporo City Government over many years, the candidate brings a wealth of experience and broad insight in public administration. We believe this expertise will contribute to the auditing and oversight of the Company's businesses, including its community pharmacy operations, and have therefore nominated him as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member.</p> <p>Summary of expected role to be fulfilled if elected Outside Director serving as Audit &amp; Supervisory Committee Member:</p> <p>If elected Outside Director serving as an Audit &amp; Supervisory Committee Member, we expect Mr. Kengo Saito to provide appropriate advice, audit, and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>			

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
3	* Yoshifumi Yoneya (February 17, 1960)	April 1987 Registered as an attorney at law (Sapporo Bar Association) April 1987 Joined Akio Hashimoto Law Office April 1991 Opened Yoshifumi Yoneya Law Office (currently Yoneya & Hayashi Law Office) (current position) April 2000 Audit & Supervisory Board Member of the Company (current position) September 2000 Audit & Supervisory Board Member of Nihon Leben Co., Ltd. December 2001 Audit & Supervisory Board Member of Pharma Holding Co., Ltd. June 2023 Director (Audit & Supervisory Committee Member) of the Company (current position)	0
		<p>Reason for nomination as candidate for Outside Director serving as Audit &amp; Supervisory Committee Member:            As the candidate has abundant experience and broad knowledge as an attorney at law, we have determined that he would appropriately perform his duties as an Audit &amp; Supervisory Committee Member mainly from a legal perspective. Therefore, we propose his appointment as Outside Director serving as an Audit &amp; Supervisory Committee Member.</p> <p>Summary of expected role to be fulfilled if elected Outside Director serving as Audit &amp; Supervisory Committee Member:            If elected Outside Director serving as an Audit &amp; Supervisory Committee Member, we expect Mr. Yoshifumi Yoneya to provide appropriate advice, audit, and supervision regarding the Company's business management, from a standpoint that is independent from those Directors engaging in business execution.</p>	

No.	Name (Date of birth)	Past experience, positions in the Company (significant concurrent positions)	Number of Company shares held
4	* Yuji Maeda (October 18, 1958)	February 1990 Registered as a certified public accountant July 2000 Director, Maeda CPA Office (current position) October 2015 Director, One Nine Consulting Co., Ltd. (current position) March 2016 Director (Audit & Supervisory Committee Member) of SOLXYZ Co., Ltd. July 2018 Partner, Grant Thornton Taiyo LLC June 2023 Director (Audit & Supervisory Committee Member) of the Company (current position)	2,000
		<p>Reason for nomination as candidate for Outside Director serving as Audit &amp; Supervisory Committee Member:</p> <p>With many years of experience as a certified public accountant, the candidate has specialized knowledge on finance and accounting as well as experience as director and audit &amp; supervisory committee members of other corporate entities. Accordingly, we have determined that he would appropriately perform his duties as an Audit &amp; Supervisory Committee Member mainly from a broad and advanced perspective. Therefore, we propose his appointment as Outside Director serving as an Audit &amp; Supervisory Committee Member.</p> <p>Summary of expected role to be fulfilled if elected Outside Director serving as Audit &amp; Supervisory Committee Member:</p> <p>If elected Outside Director serving as an Audit &amp; Supervisory Committee Member, we expect Mr. Yuji Maeda to provide appropriate advice, audit, and supervision regarding the Company's business management based on his broad insight and specialized experience in finance and accounting, and from a standpoint that is independent from those Directors engaging in business execution.</p>	



- (Notes) 1. The asterisk (\*) next to a name represents a candidate for newly appointed Director serving as an Audit & Supervisory Committee Member.
2. There are no special interests between the candidates for Directors serving as Audit & Supervisory Committee Members and the Company.
3. Matters concerning the candidates for Outside Directors serving as Audit & Supervisory Committee Members are as follows.
- (1) Mr. Satoshi Sato, Mr. Yoshifumi Yoneya, and Mr. Yuji Maeda are candidates for Outside Directors serving as Audit & Supervisory Committee Members.
  - (2) Mr. Satoshi Sato, Mr. Yoshifumi Yoneya, and Mr. Yuji Maeda are currently outside directors of the Company who are members of the Audit Committee, and will have been in office for two years each at the conclusion of this Ordinary General Meeting of Shareholders.
  - (3) The Company has notified the Tokyo Stock Exchange, Inc. of the positions of Mr. Satoshi Sato, and Mr. Yoshifumi Yoneya as Independent Officers stipulated in Article 436-2 of the Securities Listing Regulations of the said Exchange. If elected, they will continue to be Independent Officers. Further, if Mr. Yuji Maeda is elected an Outside Director serving as an Audit & Supervisory Committee Member, the Company plans to newly notify the said Exchange of his position as an Independent Officer.
4. The Company has entered into agreements with each Director who is an Audit & Supervisory Committee Member to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. If their reappointment is approved at the General Meeting of Shareholders, the Company intends to continue these agreements. If the appointment of Mr. Kengo Saito is approved, the Company plans to enter into a similar limited liability agreement with him, under which his liability for damages will be limited to the higher of ¥5 million or the minimum liability amount stipulated by law, provided that he acts in good faith and is not grossly negligent.
5. The Company has entered into indemnification agreements with each Director who is an Audit & Supervisory Committee Member, under which the Company agrees to cover the expenses set forth in Article 430-2, Paragraph 1, Item 1, and the losses set forth in Item 2 of the same paragraph of the Companies Act, to the extent permitted by applicable laws and regulations. If their reappointment is approved at the General Meeting of Shareholders, the Company intends to continue these agreements. If the appointment of Mr. Kengo Saito is approved, the Company plans to enter into a similar indemnification agreement with him.
6. The Company has entered into a directors and officers (D&O) liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This contract is intended to cover any damages that may arise from insured persons incurring liability in the course of performing their duties, or from claims made in connection with such liability. If the candidates are elected, they will be included as insured persons under this contract. The Company also plans to renew the contract with the same coverage during their terms of office.

(Reference) List of knowledge, experience, and abilities of each Director (skills matrix).

If Proposal 2 and Proposal 3 are approved as proposed, the skills matrix of Directors of the Company will be as follows.

Name	Position	Independent director	Corporate management	Finance & accounting	Legal, compliance & risk management	HR labor & HR development	Business development & M&A	Medicine, welfare & healthcare	Healthcare system & pharmaceutical distribution	System & DX
Inao Tajiri	Representative director President		○				○	○	○	○
Jiro Akino	Representative director Executive vice president		○			○		○	○	
Yoshihiro Tanaka	Representative director Executive vice president		○	○			○	○	○	
Makoto Sakashita	Director Senior managing executive officer		○		○	○		○		
Kazuhiko Sumi	Director Managing executive officer		○	○	○		○			
Akira Aoyama	Director Managing executive officer		○							○
Eiji Hirashima	Director Managing executive officer		○	○						
Kentaro Tago	Director Executive officer		○	○			○			○
Kenji Shimizu	Director Executive officer		○						○	
Shuichi Nakamura	Director					○		○	○	
Akio Koike	Outside director	○	○			○	○			
Kozo Isshiki	Outside director	○	○	○	○					
Toshiko Ibe	Outside director	○	○			○		○		

Satoshi Sato	Outside director (Audit & Supervisory Committee member)	○			○	○		○		
Kengo Saito	Outside director (Audit & Supervisory Committee member)	○		○			○			
Yoshifumi Yoneya	Outside director (Audit & Supervisory Committee member)	○	○		○		○			
Yuji Maeda	Outside director (Audit & Supervisory Committee member)	○	○	○				○		