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Securities code: 4931
November 30, 2022

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 34TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

Please be informed that the 34th Annual General Meeting of Shareholders of Shinnihonseiyaku Co., Ltd. (the "Company") will be held as described below.

In order to prevent the spread of COVID-19, you are kindly requested to refrain from attending the meeting in person as our highest priority is the safety of our shareholders. Voting rights may be exercised in writing (by mail) or via the Internet, and we would like to ask you to exercise your voting rights by 5:50 p.m. Japan time, Monday, December 19, 2022.

1. **Date and Time:** Tuesday, December 20, 2022 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 34th Fiscal Year (October 1, 2021 to September 30, 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 34th Fiscal Year (October 1, 2021 to September 30, 2022)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Six (6) Directors of the Board
Proposal 4: Election of Three (3) Audit & Supervisory Board Members
Proposal 5: Election of One (1) Substitute Audit & Supervisory Board Member

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.
・The following matters are posted on the Company's website (https://corporate.shinnihonseiyaku.co.jp/ir/) 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. The attachments to this Notice are part of the documents audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their audit reports.

■ Business Report: Systems to Ensure the Properness 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

・If revisions are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, the revised content will be posted on the Company's website (https://corporate.shinnihonseiyaku.co.jp/ir/).

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: ¥708,354,603

(3) Effective date of dividend of surplus
December 21, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments
   The Company's Articles of Incorporation will be amended as follows in response to the introduction of a system to provide the reference materials for General Meetings of Shareholders in electronic format pursuant to the enforcement (on September 1, 2022) of the amended 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).
   (1) The proposed amendment Article 15, Paragraph 1 is to stipulate that information on the content of reference materials, etc. for General Meetings of Shareholders will be provided in electronic format.
   (2) The proposed amendment Article 15, Paragraph 2 refers to the Company's response to the shareholders who wish to receive a printed copy of the reference materials and is to establish a provision that limits the scope of matters to be described in the printed copy.
   (3) The provisions of the Internet disclosure and deemed provision of reference materials, etc. for General Meetings of Shareholders will become unnecessary (Article 15 of the current Articles of Incorporation) and therefore will be deleted.
   (4) Supplementary provisions will be established in accordance with the above additions and deletions. This provisions will be deleted after the specified date has passed.

2. Details of amendments

Amendments are detailed as follows.

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed amendments
Article15 (Internet Disclosure and Deemed Provision of Reference Materials, etc. for General Meetings of Shareholders) When information on matters to be described or indicated in reference materials for General Meetings of Shareholders, business reports, non-consolidated financial statements and consolidated financial statements by the Company upon the convocation of a General Meeting of Shareholders is disclosed over the Internet, in accordance with the method stipulated by the Ministry of Justice Department ordinance, the Company will be deemed to have provided the said information to shareholders.	(Deleted)
(Newly established)	Article15 (Measures for providing information in electronic format, etc.) When the Company convenes a General Meeting of Shareholders, the Company shall electronically provide information of reference materials, etc. for General Meetings of Shareholders. 2. Among the matters provided electronically, the Company may partially or fully omit matters designated by the Ministry of Justice ordinance in the documents delivered to shareholders who have requested a printed copy of the reference materials, etc. prior to the record date for voting rights.
Chapter 8 Supplementary provisions (Matters not provided for in the Articles of Incorporation)	Chapter 8 Supplementary provisions (Matters not provided for in the Articles of Incorporation)
Article 47 (Omitted)	Article 47 (Unchanged)
(Newly established)	Article 48 (Transitional measures for electronic provision of reference materials for General Meetings of Shareholders) Notwithstanding the provisions of Article 15 (Measures for providing information in electronic format, etc.), Article 15 of the Articles of Incorporation before amendment (Internet Disclosure and Deemed Provision of Reference Materials, etc. for General Meetings of Shareholders) shall remain in effect for General Meetings of Shareholders that will be held by the end of February 2023.

Current Articles of Incorporation	Proposed amendments
	2. These supplementary provisions shall be deleted on March 1, 2023 or the date when three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever comes later.

Proposal 3: Election of Six (6) Directors of the Board

The terms of office of all seven (7) Directors of the Board will expire at the conclusion of the 34th Annual General Meeting of Shareholders. Accordingly, intending to decrease the number of Directors of the Board by one in order to improve the efficiency of its corporate management system, the Company requests approval for election of six (6) Directors of the Board.

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% (18/18) 17 years
2	Mitsuyoshi Fukuhara [Reappointment]	Male	Senior Executive Director of the Board and Chief Operating Officer	100% (18/18) 6 years
3	Seiichiro Hatori [Reappointment]	Male	Director of the Board	100% (18/18) 3 years
4	Masayuki Kakio [Reappointment] [Outside] [Independent]	Male	Director of the Board (part-time)	100% (18/18) 5 years, 2 months
5	Haruki Murakami [Reappointment] [Outside] [Independent]	Male	Director of the Board (part-time)	100% (18/18) 3 years
6	Kazuyo Yunoki [Reappointment] [Outside] [Independent]	Female	Director of the Board (part-time)	100% (14/14) 1 year

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. The attendance of Ms. Kazuyo Yunoki at the Board of Directors meetings covers only the meetings held after her assumption of office.
3. Mr. Masayuki Kakio, Mr. Haruki Murakami, and Ms. Kazuyo Yunoki are candidates for Outside Director.
4. Mr. Masayuki Kakio, Mr. Haruki Murakami and Ms. Kazuyo Yunoki are currently Outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Masayuki Kakio will have served as Outside Director for five years and two months, Mr. Haruki Murakami will have served as Outside Director for three years, and Ms. Kazuyo Yunoki will have served as Outside Director for one year.
5. The Company has registered Mr. Masayuki Kakio, Mr. Haruki Murakami and Ms. Kazuyo Yunoki as independent directors in accordance with the rules of the Tokyo Stock Exchange. If the three candidates are reappointed, the Company intends to maintain their registration as independent directors.
6. Mr. Masayuki Kakio is an Outside Director of DMS Inc., which was inspected by the Japan Fair Trade Commission in October 2019 for alleged violation of Article 3 of the Antimonopoly Act in connection with its bidding for the preparation and dispatch of forms ordered by the Japan Pension Service. Subsequently, the company received a cease and desist order and surcharge payment order from the Commission in March 2022. Although he was not aware of this fact in advance, after the situation became known to him, he thoroughly investigated the matter and issued instructions to prevent its recurrence at the Board of Directors of the company.
7. The Company has entered into a liability limitation agreement with Mr. Masayuki Kakio, 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 three candidates are reappointed as proposed, the Company intends to continue the aforesaid liability limitation agreement with them.
8. 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 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 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 2023.
9. The details of this proposal were approved at the Board of Directors 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, Senior Executive Director of the Board and three independent Outside Directors.

No. 1

Takahiro Goto (Born January 16, 1971) Number of shares of the Company held: 849,329 shares



Reappointment

Attendance at Board of Directors meetings 18/18

■ **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 (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 of its corporate value based on the corporate philosophy of "Achieving the greatest possible satisfaction and trust from our customers; Making our employees happy and giving them dreams for the future; As a company that contributes to society, we aim to expand our efforts far and wide and without limitation." 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.

No. 2

Mitsuyoshi Fukuhara (Born March 18, 1972) Number of shares of the Company held: 63,106 shares



Reappointment

Attendance at Board of Directors meetings 18/18

■ **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. (current position)
December 2021	Senior Executive Director of the Board and Chief Operating Officer (current position)

[Significant concurrent positions]

・Chairman & Director, Flatcraft, Inc.

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 expansion of the Company's 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

Seiichiro Hatori (Born June 25, 1954) Number of shares of the Company held: 3,881 shares



Reappointment

Attendance at Board of Directors meetings 18/18

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

September 1980	Joined Avon Products Co., Ltd.
July 2000	General Manager, Luxury Products Department, NIHON L'ORÉAL K.K.
June 2005	President & Representative Director and CEO, SSP Co., Ltd.
January 2011	President & Representative Director, Avon Products Co., Ltd.
May 2012	CEO, Kowa Health Care America, Inc.
September 2017	CEO, Zeria USA, Inc.
December 2019	Director of the Board, the Company (current position)

[Significant concurrent positions]

- None

Reasons for nomination as candidate for Director of the Board

Mr. Seiichiro Hatori has extensive and broad-ranging knowledge from his many years of experience in pharmaceutical and cosmetic company management and overseas business development, and he utilizes this knowledge in leading the Company's overseas and distribution businesses. 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.

No. 4

Masayuki Kakio (Born May 9, 1954) Number of shares of the Company held: - shares



Reappointment

Outside

Independent

Attendance at Board of Directors meetings 18/18

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

September 1978	Joined Serc Co., Ltd.
April 1986	Joined Incorporated Association Japan Direct Marketing Association (currently [Public Interest Incorporated Association] Japan Direct Marketing Association)
May 2002	Director and Senior Researcher, Japan Direct Marketing Association
July 2005	Director, The Japan Academic Society of Direct Marketing (current position)
July 2016	Outside Director, Coreforth Co., Ltd. (currently LTV-X Inc.) (current position)
December 2016	Established Masayuki Kakio Office LLC Representative Partner (current position)
April 2017	Director, General Incorporated Association Direct Marketing Experts Association (current position)
June 2017	Outside Director, DMS Inc. (current position)
October 2017	Outside Director, the Company (current position)

[Significant concurrent positions]

- Representative Partner, Masayuki Kakio Office LLC
- Outside Director, LTV-X Inc.
- Outside Director, DMS Inc.

Reasons for nomination as candidate for Outside Director and Expected Roles

Mr. Masayuki Kakio has outstanding personal qualities, discernment and a strong sense of ethics, and he possesses extensive insight and experience from many years of involvement in mail order business and marketing. 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. 5

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
18/18

■ **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. 6

Kazuyo Yunoki (Born July 11, 1960) Number of shares of the Company held: - shares



Reappointment

Outside

Independent

Attendance at Board of Directors meetings
14/14

■ **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	Adviser, Daimaru Matsuzakaya Department Stores Co., Ltd. (current position)
May 2022	Outside Director, AEON Hokkaido Corporation (current position)

[Significant concurrent positions]

- Adviser, Daimaru Matsuzakaya Department Stores Co., Ltd.
- Outside Director, AEON Hokkaido 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.

Proposal 4: Election of Three (3) Audit & Supervisory Board Members

The terms of office of all three (3) Outside Audit & Supervisory Board Members will expire at the conclusion of the 34th Annual General Meeting of Shareholders. Accordingly, the Company requests approval for election of three (3) Outside Audit & Supervisory Board Members.

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

The candidates for Outside Audit & Supervisory Board Members 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 [Reappointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member	100% (18/18) 100% (20/20) 5 years
2	Takashi Tanabe [Reappointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member (part-time)	100% (18/18) 100% (20/20) 6 years, 6 months
3	Yuji Nakanishi [Reappointment] [Outside] [Independent]	Male	Audit & Supervisory Board Member (part-time)	100% (18/18) 85% (17/20) 4 years, 5 months

Notes: 1. There are no special interest relationships between the Company and any of the candidates.
2. Attendance records for meetings of the Board of Directors and Audit & Supervisory Board are for the meetings held during the fiscal year under review.
3. Mr. Keiichi Zenmyo, Mr. Takashi Tanabe, and Mr. Yuji Nakanishi are candidates for Outside Audit & Supervisory Board Members.
4. Mr. Keiichi Zenmyo, Mr. Takashi Tanabe, and Mr. Yuji Nakanishi are currently Outside Audit & Supervisory Board Members of the Company. At the conclusion of this General Meeting of Shareholders, Mr. Keiichi Zenmyo will have served as Outside Audit & Supervisory Board Member for five years, Mr. Takashi Tanabe will have served as Outside Audit & Supervisory Board Member for six years and six months and Mr. Yuji Nakanishi will have served as Outside Audit & Supervisory Board Member for four years and five months.
5. 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 reappointed, the Company intends to maintain their registration as independent directors.
6. 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 reappointed as proposed, the Company intends to continue the aforesaid liability limitation agreement with them.
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 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 Audit & Supervisory Board Members and assume office, the Company intends to designate each Audit & Supervisory Board Member 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 2023.

No. 1

Keiichi Zenmyo (Born November 15, 1957) Number of shares of the Company held: - shares



Reappointment

Outside

Independent

Attendance at Board of Directors meetings
18/18
Attendance at Audit & Supervisory Board meetings
20/20

■ **Career summary, positions, 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 Audit & Supervisory Board Member

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. He can be expected to utilize these insights to provide accurate advice from an objective and neutral perspective. We believe he will appropriately execute the duties of Outside Audit & Supervisory Board Member and therefore request that he be reappointed as an Outside Audit & Supervisory Board Member.

No. 2

Takashi Tanabe (Born April 15, 1961) Number of shares of the Company held: 11,000 shares



Reappointment

Outside

Independent

Attendance at Board of Directors meetings
18/18
Attendance at Audit & Supervisory Board meetings
20/20

■ **Career summary, positions, 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 2014	Representative, the IP Lawyers Network Kyushu/Okinawa Regional Committee (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 Audit & Supervisory Board Member

Mr. Takashi Tanabe possesses many years of experience and knowledge as a lawyer. He can be expected to utilize these insights to provide accurate advice from an objective and independent perspective. We believe he will appropriately execute the duties of Outside Audit & Supervisory Board Member and therefore request that he be reappointed as an Outside Audit & Supervisory Board Member.

No. 3

Yuji Nakanishi (Born June 11, 1961) Number of shares of the Company held: - shares



Reappointment

Outside

Independent

Attendance at Board of Directors meetings 18/18

Attendance at Board of Directors meetings 17/20

■ **Career summary, positions, 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)
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]

- Representative, Nakanishi CPA's Office
- Representative, Nakanishi Tax Accountant's Office
- Representative Director, Expleo Co., Ltd.

Reasons for nomination as candidate for Outside Audit & Supervisory Board Member

Mr. Yuji Nakanishi possesses abundant experience and advanced expertise as a certified public accountant and tax accountant. He can be expected to utilize these insights to provide accurate advice from an objective and independent perspective. We believe he will appropriately execute the duties of Outside Audit & Supervisory Board Member and therefore request that he be reappointed as an Outside Audit & Supervisory Board Member.

Proposal 5: Election of One (1) Substitute Audit & Supervisory Board Member

The Company requests approval for the election of one Substitute Outside Audit & Supervisory Board Member in preparation for the case that the number of the Company's Outside Audit & Supervisory Board 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 the office and with the consent of the Audit & Supervisory Board.

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

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

Asako Okabe (Born August 7, 1970) Number of shares of the Company held: - shares



Outside

Independent

■ **Career summary, positions, 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 (current position)
July 2022	Representative, Asako Okabe Certified Public Accountant Office (current position)

[Significant concurrent positions]

- Representative, Asako Okabe Certified Public Accountant Office
- Outside Audit and Supervisory Board Member, Hirata Corporation

Reasons for nomination as candidate for Substitute Outside Audit & Supervisory Board Member

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 objective and neutral perspective. We believe she will appropriately execute the duties of Outside Audit & Supervisory Board Member and therefore request that she be appointed as a substitute Outside Audit & Supervisory Board 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 Audit & Supervisory Board 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 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 Ms. Asako Okabe assumes office as an Audit & Supervisory Board 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 20, 2022 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 and election of Audit & Supervisory Board Members are all approved as originally proposed at this General Meeting of Shareholders.

	Name	Position at the Company	Age	Gender		Expertise, experience						
					Years in office	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	51	Male	17	●	●		●	●		●
	Mitsuyoshi Fukuhara	Senior Executive Director of the Board and Chief Operating Officer, Member of Nomination and Compensation Committee	50	Male	6	●	●	●			●	●
	Seiichiro Hatori	Director of the Board	68	Male	3	●	●	●				●
	Masayuki Kakio	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	68	Male	5	●	●			●		●
	Haruki Murakami	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	69	Male	3	●	●					●
	Kazuyo Yunoki	Director of the Board (Outside, Independent), Member of Nomination and Compensation Committee	62	Female	1	●	●	●	●			●
Audit & Supervisory Board Member	Keiichi Zenmyo	Audit & Supervisory Board Member (full-time) (Outside, Independent)	65	Male	5	●		●		●		●
	Takashi Tanabe	Audit & Supervisory Board Member (Outside, Independent)	61	Male	6				●	●		●
	Yuji Nakanishi	Audit & Supervisory Board Member (Outside, Independent)	61	Male	4	●					●	●

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.