

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 9627

July 8, 2025

Start date of measures for electronic provision: July 2, 2025

To Our Shareholders

Kiichi Otani  
President and Representative Director  
**AIN HOLDINGS INC.**  
5-2-4-30, Higashisapporo, Shiroishi-ku, Sapporo

## **Notice of Convocation of the 56th Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 56th Ordinary General Meeting of Shareholders of AIN HOLDINGS INC. (hereinafter the “Company”) to be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company’s website. Please access the website below to view the information.

### **The Company’s website:**

<https://www.ainj.co.jp/corporate/english/ir-library.html>

(Access the above website and view the documents listed under FY4/25)

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted on each of the following websites.

### **Website for posted informational materials for the general meeting of shareholders:**

<https://d.sokai.jp/9627/teiji/> (in Japanese)

### **Tokyo Stock Exchange website (Listed Company Search):**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the internet address shown above, enter “AIN HOLDINGS” in “Issue name (company name)” or the Company’s securities code “9627” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In the event that you do not attend the meeting, you may exercise your voting rights either via the Internet, etc. or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and refer to “Information on Exercise of Voting Rights” on pages 3 to 4 to exercise your voting rights.

- 1. Date and Time:** 10:00 a.m., Wednesday, July 30, 2025 (Reception will open at 9:00 a.m.)
- 2. Location:** **Sapporo Prince Hotel, International Convention Center Pamir, “Onuma” (3rd floor)**  
Nishi 12, Minami 3, Chuo-ku Sapporo  
(Please note that commencing this year, the venue has changed.)

**3. Agenda for the Meeting**

**Matters to be Reported:**

- (1) The Business Report, the Consolidated Financial Statements, and the report on results of the audits by the Accounting Auditor and the Board of Corporate Auditors regarding the Consolidated Financial Statements for the 56th business term (from May 1, 2024 to April 30, 2025)
- (2) The Non-Consolidated Financial Statements for the 56th business term (from May 1, 2024 to April 30, 2025)

**Matters to be Resolved:**

- Proposal No. 1:** Distribution of Surplus
- Proposal No. 2:** Election of Eleven (11) Directors
- Proposal No. 3:** Election of One (1) Corporate Auditor
- Proposal No. 4:** Revision of Remuneration Amount for Directors
- Proposal No. 5:** Revision of Remuneration Amount for Corporate Auditors

**4. Information on Exercise of Voting Rights**

- If you exercise your voting rights more than once via the Internet, etc., only the voting rights you exercise last will be valid.
  - If you exercise your voting rights both via the Internet, etc. and in writing (by mail), only the voting rights you exercise via the Internet, etc. will be valid regardless of the date and time the written form was received by the Company.
  - If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form, it will be treated as an indication of your approval.
  - Please refer to “Information on Exercise of Voting Rights” below as well.
- If attending the meeting in person, please present the Voting Rights Exercise Form at the reception desk.
  - If you will be exercising your voting rights by proxy, you may appoint one other shareholder with voting rights as proxy to attend the General Meeting of Shareholders.
  - If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company’s aforementioned website, the website for posted informational materials for the general meeting of shareholders and the TSE website.
  - Paper-based documents stating matters subject to measures for electronic provision are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16 of the Company’s Articles of Incorporation.
    - (i) “Main business activities,” “Main offices,” “Status of employees,” “Status of main lenders,” “Other material matters regarding the current status of the Company Group,” “Status of accounting auditor,” “System for ensuring the appropriateness of business and the status of operation of said system,” “Basic policy regarding control of the Company,” and “Policy regarding decision of dividends of surplus, etc.,” in the Business Report
    - (ii) “Consolidated statements of changes in shareholders’ equity” and “Notes to consolidated financial statements” in the Consolidated Financial Statements
    - (iii) “Balance sheet,” “Statement of income,” “Non-consolidated statements of changes in shareholders’ equity,” and “Notes to non-consolidated financial statements” in the Financial Statements
    - (iv) “Accounting audit report on the consolidated financial statements,” “Accounting audit report on the non-consolidated financial statements,” and “Audit Report by Board of Corporate Auditors” in the Audit Report
- The Corporate Auditors and the Accounting Auditor have audited the documents subject to audit, including the above matters.
- In order to further deepen communication with shareholders, the Company has introduced “Smart Convocation,” which enables shareholders to easily view key content and related information of Reference Documents for the General Meeting of Shareholders, etc., and exercise their voting rights via smartphones and other devices.

<https://p.sokai.jp/9627/> (in Japanese)

**Information on Exercise of Voting Rights**

Exercise of voting rights at the Company’s General Meeting of Shareholders is shareholders’ important right. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights. You may exercise your voting rights by one of the following three methods.

<p><b>If you are attending the meeting</b></p> <p>Please submit the Voting Rights Exercise Form at the reception.</p> <p>Date and Time:</p> <hr/> <p>10:00 a.m., Wednesday, July 30, 2025 (Reception will open at 9:00 a.m.)</p>	<p><b>Exercise of voting rights via the Internet</b></p> <p>Please enter your approval or disapproval of the proposals by following the instructions on page 4.</p> <p>Deadline for exercise of voting rights via the Internet</p> <hr/> <p>All data entry to be completed no later than 6:00 p.m., Tuesday, July 29, 2025.</p>	<p><b>Exercise of voting rights in writing (by mail)</b></p> <p>Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and return it to the Company.</p> <p>Deadline for exercise of voting rights by mail</p> <hr/> <p>To be received no later than 6:00 p.m., Tuesday, July 29, 2025.</p>
--	---	---

**Guidance for the Filling in of the Voting Rights Exercise Form**

Please indicate whether you approve or disapprove of each proposal:

Proposals No. 1, 3, 4, and 5

- To indicate your approval >> Mark  in the approval box
- To indicate your disapproval >> Mark  in the disapproval box

Proposal No. 2

- To indicate your approval for all candidates >> Mark  in the approval box
- To indicate your disapproval for all candidates >> Mark  in the disapproval box
- To indicate your disapproval for certain candidates >> Mark  in the approval box and write the candidate number for each candidate you disapprove.
- If you exercise your voting rights both via the Internet, etc. and in writing (by mail), only the voting rights you exercise via the Internet, etc. will be valid, regardless of the date and time the written form was received by the Company. If you exercise your voting rights more than once via the Internet, etc., only the voting rights you exercise last will be valid.
- If you exercise your voting rights in writing (by mail) and do not indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form, it will be treated as an indication of your approval.

## Guidance for the Exercise of Voting Rights via the Internet

### Scanning the login QR Code

#### “Smart Vote”

You can simply log in to the voting website without entering your voting rights exercise code and password.

- 1 Please scan the QR Code printed on the lower right-hand side of the Voting Rights Exercise Form.
- \* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 Indicate your approval or disapproval by following the instructions on the screen.

Please note that exercising voting rights by using “Smart Vote®” method is available only once.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and log in by entering your voting rights exercise code and password printed on the Voting Rights Exercise Form, and exercise your voting rights again.

\* You can access the website for personal computer by scanning the QR Code again.

### Entering voting rights exercise code and password

Voting website: <https://soukai.mizuho-tb.co.jp/>  
(in Japanese)

- 1 Please access the website for the exercise of voting rights.
- 2 Enter the voting rights exercise code printed on the Voting Rights Exercise Form.
- 3 Enter the password printed on the Voting Rights Exercise Form.
- 4 Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your personal computer, smartphone or mobile phone in order to exercise your voting rights via the Internet, please contact:

Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency  
Internet Help Dial  
**0120-768-524 (toll free only from Japan)**  
(9:00 a.m. – 9:00 p.m. except New Year holidays)

Institutional investors may make use of the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Distribution of Surplus

As we consider returning profits to shareholders to be one of the most important management issues, and taking into consideration future business development while maintaining stable dividends, the Company proposes to pay a year-end dividend for the fiscal year as follows:

Type of dividend property

To be paid in cash.

Allotment of dividend property and their aggregate amount

¥80 per common share of the Company      Total payment: ¥2,826,450,000

Effective date of dividends of surplus

July 31, 2025

**Proposal No. 2:** Election of Eleven (11) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all 11 Directors will expire. Therefore, taking into account the findings of the Nomination and Remuneration Committee, the Company proposes the election of 11 Directors.

The candidates for Director are as follows:

Candidate No.	Name	Gender	Current positions and responsibilities in the Company	Candidate attributes	Attendance at Board of Directors meetings for the fiscal year 2024
1	Kiichi Otani	Male	President and Representative Director	Reelection	14/14 (100%)
2	Shoichi Shudo	Male	Representative Senior Managing Director in charge of Store Development and Dispensing Pharmacy Operations Management	Reelection	14/14 (100%)
3	Toshihide Mizushima	Male	Representative Senior Managing Director in charge of Operational Support and Digital Promotion Division Manager of Retail Operations Management	Reelection	14/14 (100%)
4	Miya Oishi	Female	Representative Senior Managing Director in charge of External Affairs	Reelection	14/14 (100%)
5	Rieko Kimei	Female	Director Division Manager of Personnel	Reelection	14/14 (100%)
6	Nobuyuki Takakura	Male	Director Division Manager of Sustainability Management	Reelection	14/14 (100%)
7	Noriko Endo	Female	Outside Director	Reelection Outside Independent	14/14 (100%)
8	Hideki Kuriyama	Male	Outside Director	Reelection Outside Independent	13/14 (93%)
9	Mariko Watahiki	Female	Outside Director	Reelection Outside Independent	10/10 (100%)
10	Nobumichi Hattori	Male	Outside Director	Reelection Outside Independent	10/10 (100%)
11	Shigeki Kimura	Male	Outside Director	Reelection Outside Independent	10/10 (100%)

Reelection Candidate for Director to be reelected

Outside Candidate for outside Director

Independent Independent officer as stipulated by the Tokyo Stock Exchange

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	 <p data-bbox="363 568 512 629">Kiichi Otani (July 19, 1951)</p> <p data-bbox="384 633 491 663"><u>Reelection</u></p> <p data-bbox="280 667 592 790">Number of years in office at the conclusion of this general meeting of shareholders: 45 years</p> <p data-bbox="309 795 563 884">Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="612 264 1230 324">July 1980 President and Representative Director of Otani Corporation (now AIN HOLDINGS INC.)</p> <p data-bbox="612 329 1222 421">Nov. 1981 Founder and Director of DAIICHI MEDICAL TESTING LABORATORIES INC. (Asahikawa, now AIN HOLDINGS INC.)</p> <p data-bbox="612 425 1142 454">July 1983 President and Representative Director</p> <p data-bbox="612 459 1118 488">May 1985 Managing Director of the Company</p> <p data-bbox="612 492 1225 553">May 1988 President and Representative Director (current post)</p>	3,240,652 shares
<p data-bbox="277 893 528 922">[Reasons for nomination]</p> <p data-bbox="277 927 1439 1077">Mr. Otani has always demonstrated excellent leadership and decisiveness in leading the Company, and has grown the dispensing pharmacy business of the Group into one of the largest in Japan. His proactive approach to the expansion of the business has resulted in 25 consecutive years of growth as of the fiscal year ended April 30, 2025. As chairperson of the Sustainability Committee he has also promoted sustainable management and made significant contributions to increases in corporate value.</p> <p data-bbox="277 1081 1439 1198">The Company proposes Mr. Otani as a candidate for Director because of his management experience and knowledge in financial affairs, the Dispensing Pharmacy Business and the Retail Business, and because the Company believes that he is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	 <p>Shoichi Shudo (November 16, 1959) Reelection</p> <p>Number of years in office at the conclusion of this general meeting of shareholders: 25 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>Mar. 1982    Joined DAIICHI MEDICAL TESTING LABORATORIES INC. (Asahikawa, now AIN HOLDINGS INC.)</p> <p>May 1991    Division Manager of Corporate Planning of the Company</p> <p>June 1994    Director and Division Manager of Administration of AIN MEDICAL SYSTEMS Inc. (now AIN HOLDINGS INC.)</p> <p>Feb. 2000    Department Manager of Kansai Sales, Dispensing Pharmacy Business of the Company</p> <p>July 2000    Director</p> <p>May 2003    Managing Director</p> <p>May 2004    Division Manager of Dispensing Pharmacy Business</p> <p>May 2012    Senior Managing Director</p> <p>Nov. 2015    Representative Senior Managing Director (current post) in charge of Store Development</p> <p>May 2020    Chairperson of Nippon Pharmacy Association (NPhA)</p> <p>Nov. 2023    President and Representative Director of AIN PHARMACIEZ INC. (current post)</p> <p>Dec. 2023    In charge of Store Development and Division Manager of Dispensing Pharmacy Operations Management of the Company</p> <p>May 2024    In charge of Store Development and Dispensing Pharmacy Operations Management (current post)</p>	10,479 shares
<p>[Reasons for nomination]</p> <p>Having previously served as the Division Manager of Corporate Planning of the Company, Mr. Shudo has taken responsibility for investment decisions as the head of the Dispensing Pharmacy Business and of store development, including M&amp;A, he has contributed significantly to the expansion of the Group's business through his wide-ranging personal connections and his high-level coordination abilities.</p> <p>The Company proposes Mr. Shudo as a candidate for Director because of his management experience and knowledge in financial affairs and the Dispensing Pharmacy Business, and because the Company believes that he is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	 <p>Toshihide Mizushima (March 10, 1960) Reelection</p> <p>Number of years in office at the conclusion of this general meeting of shareholders: 25 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>Apr. 1986      Joined Otani Corporation (now AIN HOLDINGS INC.)</p> <p>May 2000      Department Manager of Drug Store, Cosmetic and Drug Store Business of the Company</p> <p>July 2000      Director</p> <p>Feb. 2001      Division Manager of Cosmetic and Drug Store Business</p> <p>May 2003      Managing Director</p> <p>May 2012      Senior Managing Director and Division Manager of Administration</p> <p>Nov. 2012      President and Representative Director of WHOLESale STARS Co., Ltd. (current post)</p> <p>Nov. 2015      Representative Senior Managing Director of the Company (current post) in charge of Operating Management and Operational Support</p> <p>July 2018      In charge of Operating Management, Operational Support and Information Technology Management</p> <p>May 2020      In charge of Operating Management, Operational Support and Digital Promotion</p> <p>Dec. 2023      In charge of Cosmetic and Drug Store Operations Management, Operational Support and Digital Promotion</p> <p>Oct. 2024      In charge of Operational Support and Digital Promotion, Division Manager of Retail Operations Management (current post)</p>	28,479 shares
<p>[Reasons for nomination]</p> <p>Utilizing his strong leadership and decisiveness in charge of the management of the Dispensing Pharmacy Business, the Retail Business, and Operational Support of the Company, Mr. Mizushima has appropriately promoted business process improvement projects and the digital field, and contributed significantly to the improvement of productivity in both businesses. As deputy chairperson of the Sustainability Committee he has also promoted sustainable management and made contributions to increases in corporate value.</p> <p>The Company proposes Mr. Mizushima as a candidate for Director because of his management experience and knowledge in financial affairs, the Dispensing Pharmacy Business and the Retail Business, and because the Company believes that he is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	 <p data-bbox="352 620 520 712">Miya Oishi (August 7, 1960) <b>Reelection</b></p> <p data-bbox="280 719 592 936">Number of years in office at the conclusion of this general meeting of shareholders: 13 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="611 264 1238 322">July 1993 Director of DAICHIKU Co., Ltd. (now AIN HOKURIKU INC.) (current post)</p> <p data-bbox="611 329 959 358">May 2007 Managing Director</p> <p data-bbox="611 365 1142 394">July 2008 President and Representative Director</p> <p data-bbox="611 400 1222 488">Apr. 2011 Vice President and Representative Director of AIN MEDICAL SYSTEMS Inc. (now AIN HOLDINGS INC.)</p> <p data-bbox="611 495 1142 524">Feb. 2012 President and Representative Director</p> <p data-bbox="611 530 1238 589">July 2012 Director and Deputy Department Manager of Dispensing Pharmacy Business of the Company</p> <p data-bbox="611 595 959 624">July 2014 Managing Director</p> <p data-bbox="611 631 1222 719">Nov. 2015 Division Manager of Operating Management President and Representative Director of AIN PHARMACIEZ INC.</p> <p data-bbox="611 725 1222 784">May 2019 In charge of Dispensing Pharmacy Operations Management of the Company</p> <p data-bbox="611 790 1190 851">July 2021 Division Manager of Dispensing Pharmacy Operations Management</p> <p data-bbox="611 857 1230 918">May 2023 Director of AIN PHARMACIEZ INC. (current post)</p> <p data-bbox="611 925 1206 1012">July 2023 Representative Senior Managing Director, in charge of External Affairs of the Company (current post)</p>	7,846 shares
<p data-bbox="277 1021 528 1050">[Reasons for nomination]</p> <p data-bbox="277 1057 1430 1144">As the President and Representative Director of a major subsidiary of the Company and the head of the Dispensing Pharmacy Business, Ms. Oishi has contributed significantly to the expansion of the Group's business scale through her excellent leadership skills and strong sense of responsibility from a practical and multilateral perspective.</p> <p data-bbox="277 1151 1437 1270">The Company proposes Ms. Oishi as a candidate for Director because of her management experience and knowledge in the Dispensing Pharmacy Business and the Retail Business, and because the Company believes that she is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	 <p>Rieko Kimei (February 26, 1962) <b>Reelection</b> Number of years in office at the conclusion of this general meeting of shareholders: 11 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>Dec. 1995    Joined DAIICHI MEDICAL TESTING LABORATORIES INC. (Sapporo, now AIN HOLDINGS INC.)</p> <p>May 2003    Department Manager of Merchandise, Cosmetic and Drug Store Business of the Company</p> <p>May 2004    Department Manager of Personnel, Administration Division</p> <p>May 2009    Division Manager of Cosmetic and Drug Store Business and Department Manager of Merchandise</p> <p>Aug. 2009    Executive Officer</p> <p>May 2013    In charge of Personnel</p> <p>July 2014    Director (current post)</p> <p>Sept. 2015    Vice President and Representative Director of AYURA LABORATORIES Inc.</p> <p>July 2016    President and Representative Director</p> <p>Feb. 2018    Director of AIN PHARMACIEZ INC. (current post)</p> <p>July 2018    In charge of Personnel of the Company</p> <p>May 2022    Division Manager of Personnel (current post)</p>	6,585 shares
<p>[Reasons for nomination]</p> <p>Having previously served as the person in charge of the Retail Business, in her role as Division Manager of Personnel she has demonstrated outstanding planning abilities and leadership by building an organization for investing in human capital and improving employee engagement, and reforming the personnel system, making significant contributions to increases in corporate value. She has also worked to promote opportunities for women in the workplace, leading to a major subsidiary receiving Platinum Eruboshi certification and Platinum Kurumin certification.</p> <p>The Company proposes Ms. Kimei as a candidate for Director because of her management experience and knowledge in human capital management and the Retail Business, and because the Company believes that she is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	 <p data-bbox="341 960 534 1048">Nobuyuki Takakura (January 14, 1957) <u>Reelection</u></p> <p data-bbox="280 1057 592 1240">Number of years in office at the conclusion of this general meeting of shareholders: 2 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p data-bbox="612 264 1230 322">Apr. 1981     Joined Ministry of Health and Welfare (now Ministry of Health, Labour and Welfare)</p> <p data-bbox="612 331 1230 421">Aug. 2002     Director, Economic Affairs Division of Health Policy Bureau, Ministry of Health, Labour and Welfare</p> <p data-bbox="612 430 1230 488">July 2004     Director, Pension Division of Pension Bureau, Ministry of Health, Labour and Welfare</p> <p data-bbox="612 497 1230 586">Aug. 2007     Director, General Affairs Division of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare</p> <p data-bbox="612 595 1230 685">July 2009     Deputy Assistant Minister for International Affairs, Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p data-bbox="612 694 1230 815">July 2010     Deputy Director General, Minister's Secretariat, Ministry of Internal Affairs and Communications (In charge of Public Enterprise)</p> <p data-bbox="612 824 1230 913">July 2011     Assistant Commissioner of the Fire and Disaster Management Agency, Ministry of Internal Affairs and Communications</p> <p data-bbox="612 922 1230 1012">Sept. 2012     Councilor for Pension Service, Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p data-bbox="612 1021 1230 1079">July 2013     Retired from Ministry of Health, Labour and Welfare</p> <p data-bbox="612 1088 1230 1111">Oct. 2013     Senior Adviser of TEIJIN LIMITED</p> <p data-bbox="612 1120 1230 1178">Apr. 2014     Teijin Group Corporate Officer, Deputy Chief Social Responsibility Officer</p> <p data-bbox="612 1187 1230 1308">Apr. 2016     Teijin Group Corporate Officer, Chief Social Responsibility Officer, in charge of corporate auditing department, and in charge of utilization of factory sites</p> <p data-bbox="612 1317 1230 1406">Apr. 2017     Teijin Group Corporate Officer, Chief Social Responsibility Officer, and in charge of corporate auditing department</p> <p data-bbox="612 1415 1230 1438">Apr. 2019     Senior Adviser (part-time)</p> <p data-bbox="612 1447 1230 1469">Apr. 2020     Adviser of the Company</p> <p data-bbox="612 1478 1230 1536">July 2020     Senior Managing Director of AIN PHARMACIEZ INC. (current post)</p> <p data-bbox="612 1545 1230 1603">July 2023     Director (current post) in charge of Risk Management of the Company</p> <p data-bbox="612 1612 1230 1671">May 2025     Division Manager of Sustainability Management (current post)</p>	1,458 shares
<p data-bbox="276 1675 528 1697">[Reasons for nomination]</p> <p data-bbox="276 1706 1398 1890">Helped by his abundant knowledge of CSR issues, Mr. Takakura has played a central role in the systematization of sustainability management, including identifying material issues (materiality) for the Company, and as the Division Manager of Sustainability Management, he is promoting the strengthening of risk management and compliance. Additionally, with his experience in promoting health and medical policies at the Ministry of Health, Labour and Welfare, he has made significant contributions to enhancing corporate value, including offering advice on business strategy for the Dispensing Pharmacy Business.</p> <p data-bbox="276 1899 1406 2018">The Company proposes Mr. Takakura as a candidate for Director because of his knowledge in legal and compliance, environment, and the Dispensing Pharmacy Business, and because the Company believes that he is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	 <p>Noriko Endo Name on family register: Noriko Tsujihiro (May 6, 1968) Reelection Outside Independent Number of years in office at the conclusion of this general meeting of shareholders: 7 years Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>June 1994      Joined DIAMOND, Inc. Mar. 2006      Deputy Editor of Diamond Weekly, DIAMOND, Inc. Sept. 2013      Visiting Researcher at Policy Alternatives Research Institute, University of Tokyo Apr. 2015      Project Professor, Graduate School of Media and Governance, Keio University July 2018      Outside Director of the Company (current post) June 2019      Outside Director of Hankyu Hanshin Holdings, Inc. (current post) Apr. 2020      Specially Appointed Professor of Keio University Global Research Institute June 2021      Outside Director of Japan Elevator Service Holdings Co., Ltd. (current post) June 2022      Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (now NTT, Inc.) (current post) Apr. 2024      Professor of Research Council, Waseda University (current post)</p>	200 shares
<p>[Reasons for nomination and overview of expected roles] Ms. Endo has a wealth knowledge through her journalistic activities as the editor of an economic magazine. She is also well-versed in energy and environmental problems as a result of her research into public policy as it pertains to energy, in which area she possesses a wide range of insights. Additionally, she has gained knowledge from her involvement in reviews on social security and other such issues as a member of the government's council related to the fiscal system, and through her experience as an outside Director of other listed companies, she has also developed a deep knowledge of corporate management in the IT, telecommunications, railroad, real estate, and other businesses. Since being appointed outside Director of the Company, at meetings of the Board of Directors and at other times she has offered advice mainly on business strategy, compliance, DX strategy and the Dispensing Pharmacy Business. Furthermore, through proactive statements and activities, such as proposing a skills matrix aligned with the Company's management strategy in the Nomination and Remuneration Committee, she is contributing to strengthening corporate governance. The Company proposes Ms. Endo as a candidate for outside Director because of her knowledge in financial affairs, legal and compliance, environment, and the Dispensing Pharmacy Business, and because the Company believes that she is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			
<p>Reason for concluding that the candidate is independent The candidate fulfills the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights, and is thus deemed to have a high degree of independence. Until May 2018, Ms. Endo had an advisory contract with the Company, but the advisory fees in question were less than ¥10 million per annum, and she fulfills the above requirements.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	 <p>Hideki Kuriyama (April 26, 1961)</p> <p>Reelection Outside Independent</p> <p>Number of years in office at the conclusion of this general meeting of shareholders: 3 years Attendance at Board of Directors meetings: 13/14 (93%)</p>	<p>Apr. 2004 Assistant Professor of Hakuoh University Apr. 2008 Professor (current post) Nov. 2011 Manager of Hokkaido Nipponham Fighters Nov. 2021 Manager of Japan National Baseball Team Jan. 2022 Professor of Hokkaido Nipponham Fighters Apr. 2022 Specially Appointed Professor of Hokkai-Gakuen University (current post) July 2022 Outside Director of the Company (current post) Jan. 2024 Chief Baseball Officer of Hokkaido Nipponham Fighters (current post)</p>	<p>– shares</p>
<p>[Reasons for nomination and overview of expected roles]</p> <p>Mr. Kuriyama has a wide range of knowledge and experience regarding governance and human resource development in organizations, having served as a manager of a professional baseball team and of the Japan national baseball team, and as a professor of faculty of business administration at a university, among other roles. Since being appointed outside Director of the Company, at meetings of the Board of Directors and at other times he has offered advice mainly from the perspective of human capital management.</p> <p>The Company proposes Mr. Kuriyama as a candidate for outside Director because it believes that his knowledge in human capital management makes him qualified for the position of Director to continue to perform the function of supervising the decision making of the Company's management policies and corporate strategies and the execution of business.</p>			
<p>Reason for concluding that the candidate is independent</p> <p>The candidate fulfills the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights, and is thus deemed to have a high degree of independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	 <p>Mariko Watahiki (May 2, 1955) <u>Reelection</u> <u>Outside</u> <u>Independent</u></p> <p>Number of years in office at the conclusion of this general meeting of shareholders: 1 year Attendance at Board of Directors meetings: 10/10 (100%)</p>	<p>Apr. 1980 Assistant Judge of the Tokyo District Court Mar. 2009 Senior Judicial Research Official, the Supreme Court of Japan (civil affairs) Mar. 2012 Chief Judge of the Utsunomiya District Court July 2014 Chief Judge of the Yokohama Family Court June 2015 Judge of the Tokyo High Court (Presiding Judge) Apr. 2016 President of the Sapporo High Court Sept. 2018 President of the Nagoya High Court Aug. 2020 Registered as an attorney at law Aug. 2020 Joined Okamura Law Office (current post) June 2021 Outside Director of Toshiba Corporation June 2021 Outside Director, Member of Nomination Committee and Member of Governance Committee of LIXIL Corporation June 2022 Outside Director, Member of Nomination Committee, Member of Governance Committee and Member of Compensation Committee Oct. 2022 Chair of Expert Committee of Daiko Advertising Inc. June 2023 Outside Director, Chairperson of Compensation Committee, Member of Nomination Committee and Member of Governance Committee of LIXIL Corporation Aug. 2023 Chairperson of Third-party Investigation Committee of Nihon University June 2024 Outside Director, Chairperson of Nomination Committee, Member of Compensation Committee and Member of Governance Committee of LIXIL Corporation (current post) June 2024 President of Family Problems Information Center (current post) July 2024 Outside Director of the Company (current post)</p>	– shares
<p>[Reasons for nomination and overview of expected roles] Ms. Watahiki has many years of experience as a judge, and in addition to having resolved numerous civil cases, including some related to corporate legal and labor issues, she has served as the president of multiple high courts. She has a thorough understanding of compliance and governance, and a long track record of involvement in organizational management in such areas as personnel management, human resources development and crisis management. Since being appointed outside Director of the Company, at meetings of the Board of Directors and at other times she has offered advice mainly on legal affairs, compliance, governance, and human resource development. Additionally, through proactive statements and activities, such as serving as the chair of the Nomination and Remuneration Committee, offering recommendations on human resource development based on the succession plan, and proposing changes to the remuneration system aligned with the Company's medium- to long-term vision, she contributes to strengthening corporate governance. The Company proposes Ms. Watahiki as a candidate for outside Director because of her knowledge in legal and compliance and human capital management, and because the Company believes that she is qualified for the position of Director to continue to make decisions on management policy and corporate strategy of the Company and to supervise the execution of business operations.</p> <p>Reason for concluding that the candidate is independent The candidate fulfills the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights, and is thus deemed to have a high degree of independence. The Company makes donations to the Family Problems Information Center, a public interest incorporated association where she serves as the president, but the donated amount is less than ¥10 million per annum, and therefore meets the above criteria.</p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	 <p data-bbox="331 620 544 678">Nobumichi Hattori (December 25, 1957)</p> <p data-bbox="379 680 496 775"> <span style="border: 1px solid black; padding: 2px;">Reelection</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p> <p data-bbox="280 779 592 965">           Number of years in office at the conclusion of this general meeting of shareholders: 1 year            Attendance at Board of Directors meetings: 10/10 (100%)         </p>	<p data-bbox="612 264 1238 1043">           Apr. 1981    Joined Nissan Motor Co., Ltd.            June 1989    Joined New York Headquarters of Goldman Sachs &amp; Co.            Nov. 1998    Managing Director of Goldman Sachs (Japan) Ltd. (now Goldman Sachs Japan Co., Ltd.)            Oct. 2003    Visiting Associate Professor of School of International Corporate Strategy of Hitotsubashi University            Nov. 2005    Outside Director of FAST RETAILING CO., LTD. (current post)            Oct. 2006    Visiting Professor of School of International Corporate Strategy of Hitotsubashi University            Apr. 2009    Visiting Professor of Graduate School of Finance, Accounting and Law (now Graduate School of Business and Finance) of Waseda University (current post)            June 2015    Outside Director of Hakuholdo DY Holdings Inc. (current post)            July 2016    Special Guest Professor of Graduate School of Business Administration of Keio University            Apr. 2017    Guest Professor of Graduate School of Business Administration of Keio University (current post)            July 2024    Outside Director of the Company (current post)         </p>	<p data-bbox="1361 640 1441 667">– shares</p>
<p data-bbox="276 1048 834 1077">[Reasons for nomination and overview of expected roles]</p> <p data-bbox="276 1081 1430 1267">           Having gained experience in the supervision of the M&amp;A advisory business at a major U.S. investment bank, Mr. Hattori is currently engaged in teaching M&amp;A, corporate valuation, and other concepts at a graduate institute of education, and is well-versed in corporate valuation in the capital markets. In addition, his experience as an outside Director at other listed companies has given him a deep knowledge of corporate management in the retail industry and other areas. Since being appointed outside Director of the Company, at meetings of the Board of Directors and at other times he has offered advice mainly on M&amp;A and financial strategy.         </p> <p data-bbox="276 1272 1430 1361">           The Company proposes Mr. Hattori as a candidate for outside Director because it believes that his knowledge in financial affairs makes him qualified for the position of Director to continue to perform the function of supervising the decision making of the Company's management policies and corporate strategies and the execution of business.         </p>			
<p data-bbox="276 1366 823 1395">Reason for concluding that the candidate is independent</p> <p data-bbox="276 1400 1437 1525">           The candidate fulfills the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights, and is thus deemed to have a high degree of independence.         </p>			

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
11	 <p>Shigeki Kimura (March 16, 1962) <u>Reelection</u> <u>Outside</u> <u>Independent</u></p> <p>Number of years in office at the conclusion of this general meeting of shareholders: 1 year Attendance at Board of Directors meetings: 10/10 (100%)</p>	<p>Mar. 1986      Joined Seven-Eleven Japan Co., Ltd. May 2013      Division Manager of Financial Accounting and Division Manager of Corporate Behavior Promotion Office Mar. 2014      Executive Officer May 2016      Senior Officer of Secretary Office of Seven &amp; i Holdings Co., Ltd. Dec. 2016      Executive Officer and Senior Officer of Corporate Development Department July 2017      Outside Director of the Company Mar. 2019      Division Manager of the Corporate Personnel Planning of Seven &amp; i Holdings Co., Ltd. Director of Seven-Eleven Japan Co., Ltd. May 2019      Director of Seven &amp; i Holdings Co., Ltd. July 2019      Retired as outside Director of the Company Mar. 2020      In charge of Affiliates Governance of Seven &amp; i Holdings Co., Ltd. Director, Senior Managing Executive Officer and Division Manager of Management of Seven-Eleven Japan Co., Ltd. Apr. 2020      In charge of President Office and Group Liaison of Seven &amp; i Holdings Co., Ltd. Mar. 2024      Director, Executive Vice President and Division Manager of Management of Seven- Eleven Japan Co., Ltd. July 2024      Outside Director of the Company (current post) May 2025      Representative Director and Vice President of Seven &amp; i Holdings Co., Ltd. (current post) Director of Seven-Eleven Japan Co., Ltd. (current post)</p>	– shares
<p>[Reasons for nomination and overview of expected roles] As a Representative Director of a major retailer, Mr. Kimura not only has abundant knowledge of management roles but also possesses wide-ranging insights and experience in such areas as management accounting, risk management, and human capital management. Since being appointed outside Director of the Company, at meetings of the Board of Directors and at other times he has offered advice on a wide range of areas, including business strategy, finance, compliance, governance, and human resource development. The Company proposes Mr. Kimura as a candidate for outside Director because of his management experience, knowledge in financial affairs, legal and compliance, human capital management and the Retail Business, and because the Company believes that he is qualified for the position of Director to continue to make decisions on management policy and corporate strategy and to supervise the execution of business operations.</p>			
<p>Reason for concluding that the candidate is independent The candidate fulfills the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights, and is thus deemed to have a high degree of independence. The Company's subsidiary has transactions such as real estate leasing with Seven &amp; i Holdings Co., Ltd., where he serves as Representative Director, a subsidiary of the said company, and Seven-Eleven Japan Co., Ltd., where he is a Director. However, the amount of such transactions is less than 1% of the annual consolidated net sales of both companies, and therefore meets the above criteria.</p>			

- (Notes) 1. Independent officer  
Ms. Noriko Endo, Mr. Hideki Kuriyama, Ms. Mariko Watahiki, Mr. Nobumichi Hattori and Mr. Shigeki Kimura are candidates for outside Director. The Company has submitted notification to the Tokyo Stock Exchange that they have been designated as independent officers. If their reelection is approved, the Company plans for their designation as independent officers to continue.  
Ms. Noriko Endo, Mr. Hideki Kuriyama, Ms. Mariko Watahiki, Mr. Nobumichi Hattori and Mr. Shigeki Kimura fulfill the requirements for an independent officer as provided for by the Tokyo Stock Exchange, the independence criteria for outside Directors and outside Corporate Auditors set out by the Company, and also the immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder's decision concerning the exercise of voting rights (see on page 21).
2. Liability Limitation Agreement  
Pursuant to Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into liability limitation agreements with Ms. Noriko Endo, Mr. Hideki Kuriyama, Ms. Mariko Watahiki, Mr. Nobumichi Hattori and Mr. Shigeki Kimura between the Company that limits liability under Article 423, paragraph (1) of the same act for damages up to the amount stipulated by law, and if their reelection is approved, the above liability limitation agreements will be continued.
3. Indemnification Agreement  
The Company does not intend to enter into an indemnification agreement with each candidate regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the losses stipulated in item (ii) of the same paragraph.
4. Directors and Officers Liability Insurance Policy  
The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses such as amount of indemnification, settlement money and court costs incurred in cases where the insured receives claims for damages from unfair acts based on their position, during the period of insurance. If the election of each candidate is approved, each candidate will be included as an insured in the policy. Also, the Company plans to renew the insurance policy with the same contents at the next renewal date.
5. There is no special interest between any of the candidates for Director and the Company.
6. The main skills of Directors and Corporate Auditors after this general meeting of shareholders when Proposals No. 2 and No. 3 are approved as originally proposed are as described on pages 22 to 24.

**Proposal No. 3:** Election of One (1) Corporate Auditor

At the conclusion of this General Meeting of Shareholders, Corporate Auditor Koichi Kawamura will resign. Therefore, the Company proposes the election of one Corporate Auditor.

Mr. Mamoru Oki is proposed as a substitute for Mr. Koichi Kawamura, and therefore, in accordance with the provisions of the Company's Articles of Incorporation, his term of office will last until the expiration of the term of office of the resigning Corporate Auditor.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary and positions in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
 <p data-bbox="284 571 469 633">Mamoru Oki (January 31, 1961)</p> <p data-bbox="309 633 443 663">New election</p> <p data-bbox="165 667 587 728">Number of years in office at the conclusion of this general meeting of shareholders: - years</p> <p data-bbox="165 763 587 824">Attendance at Board of Directors meetings: -/-</p> <p data-bbox="165 828 587 884">Attendance at Board of Corporate Auditors meetings: -/-</p>	<p data-bbox="612 264 1236 387">Apr. 1986      Joined Otani Corporation (now AIN HOLDINGS INC.), Cosmetic and Drug Store Business (now Retail Business)</p> <p data-bbox="612 394 1236 454">May 1995      Dispensing Pharmacy Division of the Company (now Dispensing Pharmacy Business)</p> <p data-bbox="612 461 1236 521">Aug. 2008      Deputy Manager of Internal Audit Office (now Corporate Audit Office)</p> <p data-bbox="612 528 1236 557">June 2019      Division Manager of Internal Audit</p> <p data-bbox="612 564 1236 593">May 2022      Adviser of the Company (current post)</p>	<p data-bbox="1318 564 1442 593">2,563 shares</p>
<p data-bbox="156 896 403 925">[Reasons for nomination]</p> <p data-bbox="156 929 1417 1048">As the Division Manager of Internal Audit of the Company, he has experience in internal audit operations, including investigating violations of laws and internal regulations, evaluating the effectiveness of internal controls, and proposing improvement measures. Additionally, he has experience in store operations in the Dispensing Pharmacy Business and the Retail Business, and as a pharmacist possesses extensive knowledge in pharmacy management and related laws and regulations.</p> <p data-bbox="156 1052 1417 1140">The Company proposes Mr. Oki as a candidate for Corporate Auditor because of his knowledge in legal and compliance, the Dispensing Pharmacy Business and the Retail Business, and because the Company believes that he is qualified for the position of Corporate Auditor to audit the execution of duties by Directors of the Company.</p>		

(Notes) 1. Liability Limitation Agreement

If the election of Mr. Mamoru Oki is approved at this general meeting of shareholders, pursuant to Article 427 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into a liability limitation agreement with him to limit his liability for damages under Article 423, paragraph (1) of the same act up to the amount stipulated by law.

2. Indemnification Agreement

The Company does not intend to enter into an indemnification agreement with the candidate regarding the expenses stipulated in Article 430-2, paragraph (1), item (i) of the Companies Act and the losses stipulated in item (ii) of the same paragraph.

3. Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses such as amount of indemnification, settlement money and court costs incurred in cases where the insured receives claims for damages from unfair acts based on their position, during the period of insurance. If the election of the candidate for Corporate Auditor is approved, the candidate will be included as an insured under the policy. Also, the Company plans to renew the insurance policy with the same contents at the next renewal date.

4. There is no special interest between the candidate for Corporate Auditor and the Company.

5. The main skills of Directors and Corporate Auditors after this general meeting of shareholders when Proposals No. 2 and No. 3 are approved as originally proposed are as described on pages 22 to 24.

### **[Reference] Independence Criteria for Outside Directors and Outside Corporate Auditors**

An outside Director and/or an outside Corporate Auditor of the Company (hereinafter referred to as the “outside officer”) will be determined as sufficiently independent from the Company if the said outside officer satisfies the requirements set forth below:

1. Presently or at any time within the past ten years, the person has never been an executing person of the Company or a consolidated subsidiary (hereinafter referred to as the “the Group.”)
2. Presently or at any time within the past five years, the person has not fallen under any of the following items of (1) to (9):
  - (1) A person who directly or indirectly holds 10% or more of the total voting rights of the Company, or its executing person;
  - (2) A person of a company of which the Group holds directly or indirectly 10% or more of the total voting rights, or its executing person;
  - (3) A counterparty which has transactions principally with the Group (total amount of transactions with the Group exceeding 2% of annual consolidated sales of the party), or its executing person;
  - (4) A principal counterparty of the Group (total amount of transactions with the party exceeding 2% of annual consolidated sales of the Group), or its executing person;
  - (5) A consultant, accounting professional or legal professional who has been paid money exceeding the greater of 2% or ¥10 million of the annual consolidated sales (the annual consolidated revenue) of the person or other assets in addition to the remuneration for officers by the Group. (where the entity that acquired the relevant assets is an organization, such as a corporation or a union, etc., refers to individuals who belong to the relevant organization);
  - (6) A person/organization, or their business executors, who receives donations or subsidies from the Group exceeding the greater of 30% of the gross expense of the person/organization or ¥10 million;
  - (7) A person who is a major lender of the Group (the amount of borrowings from the person exceeding 2% of total consolidated assets of the Group), or its executing person;
  - (8) A person who belongs to auditing firm, which is an accounting auditor of the Group;
  - (9) An executing person in other company of which the executing person of the Company is an outside officer of the other company
3. If an executing person of the Company or a person listed Clause 2 of this criteria corresponds to an important person (director except outside director, corporate auditor except outside corporate auditor, executive officer, department manager and higher management grades), a person is not a spouse of, relative within the second degree of relationship with said person.

### **[Reference] Immaterial criteria for the judgement that the relationship with the Company is unlikely to affect shareholder’s decision concerning the exercise of voting rights**

In the event that an outside director or an outside corporate auditor of the Company (hereinafter referred to as the “outside officer”) satisfies the requirements set forth below, the Company judges that the attribute information of the outside officer is unlikely to affect shareholder’s decision concerning the exercise of voting rights:

1. A counterparty with the total amount of transactions with the Group not exceeding 1% of the annual consolidated sales of the Group nor the sales of the party in the previous fiscal years, or its executing person.
2. A person that has received donations or subsidies not exceeding ¥10 million from the Group in the previous fiscal years, or its executing person.

**[Reference] The skill sets and main skills of Directors and Corporate Auditors after this general meeting of shareholders**

The Company has a business strategy of growth in both the Dispensing Pharmacy Business and the Retail Business, and after deliberations by the Nomination and Remuneration Committee regarding skills for providing supervisory functions that contribute to increases in corporate value over the medium to long term, the Board of Directors has been reviewing the required skills. Recently, the Board has made a partial review of the skill sets, dividing “sustainable management” into “human capital management” and “environment,” and has defined them as follows.

Required skill	Details of skill	Reason for selecting
Management experience	Has management experience in a listed company or core business company	Necessary for building appropriate management strategies for increasing corporate value over the medium to long term, and providing effective supervision of execution by management
Finance	Holds certified public accountant or tax accountant qualifications, or has operational experience in financial institutions or accounting departments, or has experience in financial strategy, such as investment decisions, including M&A	Necessary for achieving sound management and promoting financial strategy that is congruent with management strategy
Legal / Compliance	Holds attorney at law qualifications, or has experience as a corporate auditor, or has operational experience in legal affairs, risk management, internal audit, or compliance departments, or possesses specialist knowledge	Because a proper awareness and management of various risks associated with corporate activities and of compliance is necessary for appropriate execution by management
Human capital management	Has operational and management experience in human capital management, including human resource strategy and development, and promoting D&I (diversity & inclusion), or possesses specialist knowledge	The greatest source of business growth is people, and for the sustainable enhancement of corporate value, a human resource strategy linked to the management strategy is essential, which is why oversight of human capital management is necessary
Environment	Has operational and management experience in environmental matters, such as environmental protection, reducing environmental impact, and addressing climate change issues, or possesses specialist knowledge	Necessary for the promotion of environmental protection measures linked to management strategies to achieve sustainable growth of the business and increases in corporate value over the medium- to long-term
Dispensing Pharmacy Business	Knowledge and experience of the Dispensing Pharmacy Business, such as market development (store operation, development, implementation of new initiatives, etc.), or health and healthcare policy (formulation and execution of strategies aimed at revisions in laws and regulations, etc.)	As the importance of understanding various policy trends and responding to system reforms in the Dispensing Pharmacy Business is increasing, it is necessary to have a bird’s eye view of the business in general, including such issues as healthcare industry insurance systems and legal regulations, for effectively supervising the execution of business
Retail Business	Knowledge and experience of the Retail Business, including market and product development, or brand development	Necessary for achieving a bird’s eye view of the business in general, including market trends in the retail industry, and for effectively supervising execution of business

The main skills of Directors and Corporate Auditors after this general meeting of shareholders when Proposals No. 2 and No. 3 are approved and adopted as originally proposed are as follows:

Name	Independence (for outside officers only)	Management experience	Finance	Legal / Compliance	Human capital management	Environment	Dispensing Pharmacy Business	Retail Business
President and Representative Director Kiichi Otani	-	●	●				●	●
Representative Senior Managing Director Shoichi Shudo	-	●	●				●	
Representative Senior Managing Director Toshihide Mizushima	-	●	●				●	●
Representative Senior Managing Director Miya Oishi	-	●					●	●
Director Rieko Kimei	-	●			●			●
Director Nobuyuki Takakura	-			●		●	●	
Outside Director Noriko Endo	●		●	●		●	●	
Outside Director Hideki Kuriyama	●				●			
Outside Director Mariko Watahiki	●			●	●			
Outside Director Nobumichi Hattori	●		●					
Outside Director Shigeki Kimura	●	●	●	●	●			●
Standing Corporate Auditor Mamoru Oki	-			●			●	●
Outside Corporate Auditor Ayako Sano	●		●	●				
Outside Corporate Auditor Minako Mizutani	●		●					

(Note) This is an indication of the skills expected by the Company and does not represent all the skills possessed.

Experience, etc. providing the basis for skills

Management experience: President and Representative Director of the Company / Finance: Promotes financial strategy as Representative Director / Dispensing Pharmacy Business: Pharmacist; founded and has driven the expansion of the business / Retail Business: Founded and has driven the expansion of the drugstore business

Management experience: Representative Director of the Company, President and Representative Director of AIN PHARMACIEZ INC. / Finance: In charge of Store Development for the Company / Dispensing Pharmacy Business: In charge of Dispensing Pharmacy Operations Management of the Company

Management experience: Representative Director of the Company / Finance: Promotes financial strategy as person in charge of Operational Support / Dispensing Pharmacy Business: In charge of Operating Management of the Company, President and Representative Director of WHOLESAL STARS Co., Ltd. / Retail Business: Division Manager of Retail Operations Management of the Company

Management experience: Representative Director of the Company, President and Representative Director of AIN PHARMACIEZ INC. / Dispensing Pharmacy Business: Pharmacist, Division Manager of Dispensing Pharmacy Operations Management of the Company / Retail Business: President and Representative Director of AIN PHARMACIEZ INC.

Management experience: Director of the Company, President and Representative Director of AYURA LABORATORIES Inc. / Human capital management: as Division Manager of Personnel of the Company, leads initiatives for D&I (Diversity and Inclusion) and opportunities for women in the workplace / Retail Business: Division Manager of Cosmetic and Drug Store Business of the Company and President and Representative Director of AYURA LABORATORIES Inc.

Legal and compliance: Division Manager of Sustainability Management of the Company, experience in charge of Risk Management of the Company, Chief Social Responsibility Officer and person in charge of CSR at Teijin group, experience having led responses of said group's compliance and risk management efforts from a CSR perspective / Environment: Division Manager of Sustainability Management of the Company, Chief Social Responsibility Officer and person in charge of CSR at Teijin group / Dispensing Pharmacy Business: Experience in promoting health and medical policies at the Ministry of Health, Labour and Welfare

Financial: Knowledge of international finance, fiscal policy, macro economy, and other areas as the editor of an economics magazine / Legal and compliance: Research at university into risk and security governance / Environment: Knowledge of energy and environmental problems obtained through research into public policy as it pertains to energy / Dispensing Pharmacy Business: Knowledge gained from her involvement in reviews on social security and other such issues as a member of the government's council related to the fiscal system

Human capital management: Knowledge in organizational governance and human capital management, gained through efforts to develop human resources as a manager of a professional baseball team and of the Japan national baseball team

Legal and compliance: Attorney at law, experience as a judge / Human capital management: Possesses insights into human capital in organizational operations, gained from experience in personnel management and human resource development as President of a High Court and an instructor at the Legal Training and Research Institute of Japan.

Financial: Managing Director of Goldman Sachs (Japan) Ltd. (now Goldman Sachs Japan Co., Ltd.), Visiting Professor of School of International Corporate Strategy of Hitotsubashi University, Visiting Professor of Graduate School of Business and Finance of Waseda University, Guest Professor of Graduate School of Business Administration of Keio University

Management experience: Representative Director of Seven & i Holdings Co., Ltd., Director of Seven-Eleven Japan Co., Ltd. / Financial: Division Manager of Financial Accounting and Division Manager of Management of Seven-Eleven Japan Co., Ltd. / Legal and compliance: Division Manager of Management of Seven-Eleven Japan Co., Ltd. / Human capital management: Division Manager of the Corporate Personnel Planning of Seven & i Holdings Co., Ltd. / Retail Business: Representative Director of Seven & i Holdings Co., Ltd., Director of Seven-Eleven Japan Co., Ltd.

Legal and compliance: Experience as Division Manager of Internal Audit of the Company / Dispensing Pharmacy Business: Pharmacist, experience in store operations within the Dispensing Pharmacy Business / Retail Business: Experience in store operations within the Retail Business

Financial: Was employed by Goldman Sachs (Japan) Ltd. (now Goldman Sachs Japan Co., Ltd.) / Legal and compliance: Attorney at law, outside corporate auditor of another company, auditor of incorporated administrative agency

Financial: Tax accountant

**Proposal No. 4:** Revision of Remuneration Amount for Directors

1. Reasons for proposal

The amount of remuneration for Directors of the Company was resolved at the 53rd Ordinary General Meeting of Shareholders held on July 28, 2022 as ¥500 million or less per year (of which ¥50 million or less per year was for outside Directors. Salaries for Directors who also serve as employees for their duties as employees were not included).

In light of the increasing roles and responsibilities of Directors that has resulted from changes in the economic conditions and business environment, among other factors, we would like to revise the maximum amount of remuneration for Directors to ¥500 million or less per year (of which ¥100 million or less per year is for outside Directors. Salaries for Directors who also serve as employees for their duties as employees were not included).

On the condition that this proposal is approved and adopted at the Board of Directors meeting held on June 26, 2025, the Company resolved to revise the “Decision policy regarding the content of individual remuneration for Directors.” The content of this proposal has been deliberated by the Nomination and Remuneration Committee from the perspective of achieving a competitive level of remuneration to secure personnel with diverse skills and knowledge, in order to fulfill the roles and responsibilities required of the Company’s Directors and to enhance its medium- to long-term corporate value. Based on the committees’ report, the content was decided by the Board of Directors. The Company therefore judges the content to be appropriate.

The current number of Directors of the Company is 11 (including five outside Directors), and if Proposal No. 2 is approved and adopted as originally proposed, the number of Directors subject to this proposal will remain the same (including the same number of outside Directors).

2. Details of amendments

The details of amendments are as follows.

(Underlined portions indicate the proposed amendments.)

Current	Proposed Amendments
Maximum amount of remuneration	Maximum amount of remuneration
Directors ¥500 million or less per year	Directors ¥500 million or less per year
Of whom, outside Directors <u>¥50 million or less per year</u>	Of whom, outside Directors <u>¥100 million or less per year</u>

**Proposal No. 5:** Revision of Remuneration Amount for Corporate Auditors

1. Reasons for proposal

The amount of remuneration for Corporate Auditors of the Company was resolved at the 22nd Ordinary General Meeting of Shareholders held on July 30, 1991 as ¥30 million or less per year.

Since several years have passed since the last revision of the remuneration amount, and considering the changes in economic conditions, the diversification of duties undertaken by Corporate Auditors, the accompanying increase in responsibilities, and other factors, we would like to revise the maximum amount of remuneration for Corporate Auditors to ¥50 million or less per year.

The current number of Corporate Auditors is three (including two outside Corporate Auditors), and if Proposal No. 3 is approved and adopted as originally proposed, the number of Corporate Auditors subject to this proposal will remain the same (including the same number of outside Corporate Auditors).

2. Details of amendments

The details of amendments are as follows.

(Underlined portions indicate the proposed amendments.)

Current	Proposed Amendments
Maximum amount of remuneration Corporate Auditors <u>¥30 million or less per year</u>	Maximum amount of remuneration Corporate Auditors <u>¥50 million or less per year</u>

# Business Report

(From May 1, 2024 to April 30, 2025)

## 1. Current Status of Company Group

### (1) Status of businesses in fiscal year under review

#### (i) Progress and results of businesses

During the fiscal year under review (from May 1, 2024 to April 30, 2025), the Japanese economy recovered gradually along with an improvement in the employment and income environment. However, conditions remain uncertain due to the risk of downward pressure on the domestic economy from slowing conditions overseas, as well as rising prices, trends in trade policy and fluctuations in financial and capital markets.

Against this backdrop, the Group announced its medium- and long-term vision in March 2025, entitled “Ambitious Goals 2034 - A decade to promote innovation and strive for our challenging goal of a trillion yen in sales.” In order to ensure medium- to long-term corporate growth even under rapidly changing market conditions, we have formulated visions by business and have set the targets for the fiscal year ending April 2034 of net sales of ¥1 trillion, return on sales of 4.0%, and an ROE of 15.0%.

In sustainability management, our Group works to provide medical and retail services in line with our mission to “Contribute to local healthcare” and “Provide beauty and happiness,” which are two of our materiality areas. In addition, we regard the promotion of diversity and inclusion as one of the important initiatives in the materiality area of “ensure sound management base.” As part of our active efforts to promote opportunities for women, we have been recognized for initiatives such as implementing training programs that support career development for female employees. In June 2024, our core operating company, AIN PHARMACIEZ INC., was awarded “Platinum Eruboshi Certification” by the Minister of Health, Labour and Welfare. Together with these initiatives, the Group is reinforcing its human resources strategy. In July of this year, the Company expanded the disclosure of KPIs and other information related to human capital management, an area of focus for the Group, and in November 2024, it established and disclosed the AIN Group Basic Policy Against Customer Harassment to create an environment where the human rights of all employees are protected to ensure that they work with peace of mind in good mental and physical health.

In addition to these initiatives, as part of its broader efforts to address the materiality of “protecting the environment and reducing environmental impact,” the Company promoted energy-efficiency and electricity-saving measures, including the introduction of an off-site corporate power purchase agreement (PPA)\* utilizing solar power generation for Group pharmacies in Kansai and Hokuriku from December 2024. Recognizing these efforts in the area of climate change, in February 2025 the Company received a B-score from CDP, an international environmental NGO that manages the world’s most comprehensive dataset on environmental disclosure. This marks the second year that the Company has received a B-score, the third-highest level of environmental management. In addition, we have been recognized as a “Certified KENKO Investment for Health Outstanding Organization” by the Nippon Kenko Kaigi for the five consecutive years since 2021, and in March 2025, we were recognized as a “2025 Certified KENKO Investment for Health Outstanding Organization (Large Enterprise Category - White 500)” for the second consecutive year, placing us among the top 500 large enterprises.

As we continued to engage with our active efforts for various materialities described above, in April 2025, our Group’s ESG efforts were well received, and similarly to last year, we were awarded grade “A” in the MSCI ESG Ratings.

\* Off-site corporate PPA: A power purchase agreement whereby a power producer provides electricity generated by a solar power plant or other similar off-site facility to the customer as a long-term supply of environmental value.

Looking to the future as well, our Group will continue to strive to make all stakeholders “people welcome to their communities” by contributing to the resolution of various social issues through our business.

As of the end of the consolidated fiscal year under review, our Group had a total of 1,550 stores.

	55th business term (from May 1, 2023 to April 30, 2024)	56th business term (from May 1, 2024 to April 30, 2025)	Change	
	Amount (Million yen)	Amount (Million yen)	Amount (Million yen)	Change (%)
Net sales	399,824	456,804	56,980	14.3%
Operating profit	20,432	16,871	(3,560)	(17.4)%
Ordinary profit	21,377	18,080	(3,296)	(15.4)%
Profit attributable to owners of parent	11,401	9,261	(2,140)	(18.8)%
ROE	8.7%	6.7%		

The status of sales per business segment of the Company Group is as follows.

### **Dispensing Pharmacy Business**

In the Dispensing Pharmacy Business, we have set forth our vision as “become the primary care pharmacy of choice for local communities, backed by proven expertise.” We are striving to provide the functions of primary care pharmacists and pharmacies by coordinating with medical institutions, using patient medication notebooks and the like to centrally and continuously manage prescription information, and providing home-based healthcare. Through these efforts, we are enabling patients to receive medical care in their familiar local community with peace of mind.

In addition, we are actively working on the promotion of digital transformation in order to improve convenience for patients; through such tools as the “Anytime AIN Pharmacy” app, the official AIN Pharmacy app and our official AIN Pharmacy LINE account, we are creating an environment that makes it even easier to use our prescription sending service. In December 2024, the Company also added new functions to the official AIN Pharmacy app, Anytime AIN Pharmacy, including a medication notebook and a calendar to make it easier for patients to manage their medications.

During the fiscal year under review, the average prescription price rose due to an increase in high-cost prescriptions. The number of prescriptions also increased, reflecting higher service levels related to improvements in the capabilities of primary care pharmacists and pharmacies and reduced waiting times.

As for the status of open stores during the same period, including M&A, a total of 98 stores were opened across the group, 25 stores were closed, and 14 stores were transferred, resulting in Dispensing Pharmacy Business having a total of 1,290 stores.

### **Retail Business**

In the Retail Business, the Group operates the chain of AINZ & TULPE cosmetics stores, which are clearly differentiated from other retailers with their unique product offerings centered on cosmetics. In addition, Francfranc, a chain of interior furnishing shops, joined the Group in August 2024. Francfranc carries out all planning, manufacturing and sales of furniture and homeware products on an integrated basis to offer comfortable daily lifestyle proposals with diverse designs and casual styling.

During the consolidated fiscal year under review, sales increased sharply, supported by the consolidation of Francfranc. In addition, the number of customers at existing AINZ & TULPE stores and stores opened in the previous fiscal year remained firm, and unit prices increased due to growth in sales of Asian cosmetics and high-priced cosmetics. Going forward, we will leverage the strengths of both AINZ & TULPE and Francfranc to generate synergies, as well as reinforce merchandise lineups and create attractive sales displays while closely monitoring buying trends.

As for the status of open stores during the same period, 16 AINZ & TULPE stores were opened and two were closed, bringing the total to 95 stores. In addition, Francfranc had 161 stores at the time it joined the Group, and with the opening of six new stores and the closing of two stores since then, the total number of Francfranc stores has reached 165, resulting in a total number of stores across the Retail Business of 260.

#### **(ii) Status of capital expenditure and financing**

The total amount of capital expenditure in the fiscal year under review is ¥13,349 million, and mainly consists of the following.

A. Property, plant and equipment (Store facilities, etc.)	¥8,617 million
B. Leasehold and guarantee deposits	¥4,731 million

During the consolidated fiscal year under review, the Company took out borrowings of ¥32,100 million as funds for M&A, etc.

#### **(iii) Status of the acquisition of shares, etc. of other companies or other corporate realignment**

The Company and two of its consolidated subsidiaries acquired the shares of 13 dispensing pharmacy business companies and two retail business companies to make them into subsidiaries during the fiscal year under review.

**(2) Status of property, profit and loss for last three fiscal years**

Category		53rd business term (from May 1, 2021 to April 30, 2022)	54th business term (from May 1, 2022 to April 30, 2023)	55th business term (from May 1, 2023 to April 30, 2024)	56th business term (Fiscal year under review) (from May 1, 2024 to April 30, 2025)
Net sales	(Million yen)	316,247	358,742	399,824	456,804
Ordinary profit	(Million yen)	16,041	17,064	21,377	18,080
Profit attributable to owners of parent	(Million yen)	7,092	9,234	11,401	9,261
Earnings per share	(Yen)	201.47	262.87	324.64	264.32
Total assets	(Million yen)	212,461	231,750	249,409	311,921
Net assets	(Million yen)	119,010	126,546	135,411	142,632

Note: Earnings per share has been calculated with the number of the Company's shares owned by the Custody Bank of Japan, Ltd. (Trust Account E) being included in treasury shares, with these being deducted from the average number of shares (53rd business term: – shares, 54th business term: – shares, 55th business term: 27,000 shares, 56th business term: 291,000 shares)

**(3) Status of material subsidiaries**

(i) Status of material subsidiaries

Company name	Share capital (Million yen)	Ratio of Company's voting rights (%)	Main business activities
AIN PHARMACIEZ INC.	100	100.0	Management of dispensing pharmacies, cosmetic stores and interior furnishing shops
DAICHIKU Co., Ltd.	10	100.0	Management of dispensing pharmacies
AIN CHUO INC.	10	100.0	Management of dispensing pharmacies
AIN SHINSHU INC..	10	100.0	Management of dispensing pharmacies
PHARMACY Co. Ltd.	50	100.0	Management of dispensing pharmacies
A&M Co., Ltd.	10	100.0	Management of dispensing pharmacies
WHOLESALE STARS Co., Ltd.	50	100.0	Sales of drugs, etc.
MEDIWEL Corp.	208	91.3	Healthcare consulting
Francfranc Corporation	100	100.0	Planning, development and sales of interior and miscellaneous goods

- Notes:
1. The voting rights ratio of the Company is the direct ownership ratio.
  2. On April 1, 2025, Asahi Pharmacy Co., Ltd. changed its company name to AIN CHUO INC.
  3. On May 1, 2024, the Company transferred the business of wholly owned subsidiary Kom Medical Co., Ltd. to AIN PHARMACIEZ INC. through succession in an absorption-type merger.
  4. On August 20, 2024, the Company acquired all shares of Francfranc Corporation and made it consolidated subsidiary.
  5. The consolidated subsidiaries of the Company number 32 in total, including the above nine material subsidiaries.

(ii) Status of specified wholly-owned subsidiaries upon the final day of the fiscal year under review

Company name	Address	Total carrying amount	Total assets of the company
AIN PHARMACIEZ INC.	5-2-4-30, Higashisapporo, Shiroishi-ku, Sapporo	Million yen 88,766	Million yen 181,719

(iii) Other

Status of material business partnerships

Other party	Description of agreement
Seven & i Holdings Co., Ltd.	Partnership agreement for stores, sales and product development under dispensing pharmacy and retail business businesses

**(4) Issues that should be addressed**

• Medium- and Long-Term Vision “Ambitious Goals 2034”

The Group announced its medium- and long-term vision in March 2025, entitled “Ambitious Goals 2034 - A decade to promote innovation and strive for our challenging goal of a trillion yen in sales.” In order to achieve sustainable growth under a rapidly changing market environment, the Group has established business-specific visions, aiming to achieve net sales of ¥700.0 billion, a net profit margin of 4.0%, and ROE of 13.0% for the fiscal year ending April 2030, and net sales of ¥1 trillion, a net profit margin of 4.0%, and ROE of 15.0% for the fiscal year ending April 2034.

• About each business

In the Dispensing Pharmacy Business, the environment surrounding dispensing pharmacies has been changing, with the introduction of the certified pharmacy system in August 2021, in which prefectural governors certify pharmacies as having specified functions, the relaxation of requirements for repeat prescriptions, the online pharmaceutical guidance in April 2022, and responding to the introduction of digital prescriptions in January 2023. These events have resulted in a diversification of patient needs, a growing demand for contributing to local healthcare through the provision of higher-quality patient services and as “primary care pharmacists and pharmacies,” and in addition, the roles and responsibilities of dispensing pharmacies have become even greater.

Our Group has further strengthened the expertise of our pharmacists, has actively participated in home medical care, and in addition, we are continuing to provide an environment where patients can continue their prescription medication in their familiar local community with peace of mind, through the “Anytime AIN Pharmacy” app, the official AIN Pharmacy app. In addition, we are continuing with our business strategy of increasing the scale of our business through the opening of new stores, M&A, etc., and maximizing economies of scale.

In the Retail Business, consumer purchasing behavior is becoming increasingly diverse due to the expansion of the EC market, and the integration of physical stores and online channels through omnichannel strategies is progressing. At the same time, however, challenges such as labor shortages caused by a declining birthrate and aging population are emerging, and will require flexible responses to structural changes.

In August 2024, Francfranc, a chain of interior furnishing shops, joined the Group. Francfranc carries out all planning, manufacturing and sales of furniture and homeware products on an integrated basis to offer comfortable daily lifestyle proposals with diverse designs and casual styling. In addition, the cosmetic store “AINZ & TULPE” contributes to helping customers realize their own personal lifestyles through unique product offerings centered on cosmetics. We will continue to promote investments in order to improve the brand power of both brands by leveraging synergies, opening new stores in favorable locations that will reliably attract customers, strengthening e-commerce capabilities, and enhancing products that meet customer needs, while at the same time also working on cost optimization.

• Toward the realization of a sustainable society

The Group is dedicated to improving the health and happiness of our customers by supporting their health and beauty through its business activities. The Group has consistently strived to attain this goal, which is enshrined in the Group Statement, by taking a sound and ethical approach in all its corporate activities. Going forward, we will seek to grow in a sustainable way by adjusting and responding to the needs of our customers and all our other stakeholders, while also practicing sustainability management that creates social, environmental and economic value.

In December 2020, the Company identified the materiality (important issues) that it should address. In May 2021, it established primary initiatives for those materiality areas as well as KPI and fiscal 2025 targets and proceeded with specific initiatives.

\* Please see here for details on sustainability.

<https://www.ainj.co.jp/corporate/english/sustainability/>

\* Please see here for details on efforts to reinforce the promotion of employee health (Health and productivity management at the AIN Group).

<https://www.ainj.co.jp/corporate/sustainability/social/employees/health-management.html> (Japanese only)

## 2. Current Status of Company

### (1) Status of shares (As of April 30, 2025)

- |  |                   |
|--|-------------------|
| (i) Total number of authorized shares          | 44,000,000 shares |
| (ii) Total number of issued shares             | 35,428,212 shares |
| (iii) Number of shareholders                   | 19,009            |
| (iv) Major shareholders (Top ten shareholders) |                   |

Shareholder name	Number of shares held (Thousand shares)	Holding ratio (%)
Kiichi Otani	3,240	9.17
Seven & i Holdings Co., Ltd.	2,750	7.78
OASIS JAPAN STRATEGIC FUND LTD.	2,633	7.45
The Master Trust Bank of Japan, Ltd. (Trust account)	2,528	7.16
OASIS INVESTMENTS II MASTER FUND LTD.	1,911	5.41
North Pacific Bank, Ltd.	1,743	4.93
Retirement Benefit Trust managed by Mizuho Trust & Banking Co., Ltd. (Marubeni Corporation account)	1,594	4.51
The Hokkaido Bank, Ltd.	1,472	4.17
STATE STREET BANK AND TRUST COMPANY 505103	1,259	3.57
Oasis Japan Strategic Fund Ltd.	729	2.07

- Notes:
- Holding ratios have been calculated after deducting 97,587 treasury shares.
  - Shares held in the Retirement Benefit Trust managed by Mizuho Trust & Banking Co., Ltd. (Marubeni Corporation account) are shares contributed by Marubeni Corporation for a retirement benefit trust.
  - According to the Large Shareholding Report (change in holding report) provided for public inspection on May 1, 2024, Oasis Management Company Limited held 5,274 thousand shares as of April 23, 2024 (shareholding ratio of 14.89%). However, as the Company was not able to confirm the actual number of shares held as of the end of the fiscal year under review, the above list of major shareholders is based on the number of shares held recorded in the Register of Shareholders.
  - According to the Large Shareholding Report (change in holding report) provided for public inspection on April 24, 2025, Sprucegrove Investment Management Ltd. held 3,198 thousand shares as of April 21, 2025 (shareholding ratio of 9.03%). However, as the Company was not able to confirm the actual number of shares held as of the end of the fiscal year under review, the above list of major shareholders is based on the number of shares held recorded in the Register of Shareholders.

- (v) Status of shares granted to Company officers as consideration for the execution of duties during the fiscal year under review

	Number of shares	Number of persons eligible for granting of shares
Directors (Excluding outside Directors)	2,638 shares	6

- Note: Details on share remuneration at the Company are stated under (2) Status of Company officers, (iv) Remuneration of Directors and Corporate Auditors, A. Decision policy regarding the content of individual remuneration for Directors, c. Policy on determining the content of performance indicators for performance-linked remuneration and calculation methods for the number or amount thereof as well as policy on determining the content of non-monetary remuneration and calculation methods for the number or amount thereof.

**(2) Status of Company officers**

(i) Status of Directors and Corporate Auditors (As of April 30, 2025)

Position	Name	Responsibilities in the Company, and significant concurrent positions outside the Company
President and Representative Director	Kiichi Otani	
Representative Senior Managing Director	Shoichi Shudo	In charge of Store Development and Division Manager of Dispensing Pharmacy Operations Management President and Representative Director of AIN PHARMACIEZ INC.
Representative Senior Managing Director	Toshihide Mizushima	In charge of Operational Support and Digital Promotion Division Manager of Retail Operations Management Division
Representative Senior Managing Director	Miya Oishi	In charge of External Affairs Director of AIN PHARMACIEZ INC.
Director	Rieko Kimei	Division Manager of Personnel Director of AIN PHARMACIEZ INC.
Director	Nobuyuki Takakura	In charge of Risk Management Senior Managing Director of AIN PHARMACIEZ INC.
Director	Noriko Endo	Outside Director of Hankyu Hanshin Holdings, Inc. Outside Director of Japan Elevator Service Holdings Co., Ltd. Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION Professor of Research Council, Waseda University
Director	Hideki Kuriyama	Professor of Hakuoh University Specially Appointed Professor of Hokkai-Gakuen University Chief Baseball Officer of Hokkaido Nipponham Fighters
Director	Mariko Watahiki	Attorney at Law at Okamura Law Office Outside Director, Chairperson of Nomination Committee, Member of Compensation Committee and Member of Governance Committee of LIXIL Corporation President of Family Problems Information Center
Director	Nobumichi Hattori	Outside Director of FAST RETAILING CO., LTD. Visiting Professor of Graduate School of Business and Finance, Waseda University Outside Director of Hakuodo DY Holdings Inc. Guest Professor of Graduate School of Business Administration of Keio University
Director	Shigeki Kimura	Director, Executive Vice President and Division Manager of Management of Seven-Eleven Japan Co., Ltd.
Standing Corporate Auditor	Koichi Kawamura	
Corporate Auditor	Ayako Sano	Representative of Aya Law Office Outside Director of SKYLARK HOLDINGS CO., LTD. Outside Director of Sodick Co., Ltd. Outside Corporate Auditor of CLAS Inc. Auditor, Research Institute of Economy, Trade and Industry
Corporate Auditor	Minako Mizutani	Representative Partner of Moore Shisei Tax Corporation Outside Corporate Auditor of The Yamanashi Chuo Bank, Ltd.

- Notes:
1. Directors Noriko Endo, Hideki Kuriyama, Mariko Watahiki, Nobumichi Hattori and Shigeki Kimura are outside Directors.
  2. Corporate Auditors Ayako Sano and Minako Mizutani are outside Corporate Auditors.
  3. Standing Corporate Auditor Koichi Kawamura served as the Department Manager of Administration for the Company from May 2003 to May 2012, as the Department Manager of Accounting for AIN MEDICAL SYSTEMS Inc. from April 2000 to April 2003, and as the Corporate Auditor for that company from April 2005 to July 2012. In that capacity, he engaged in procedures for the settlement of accounts, the preparation of financial statements or audit duties, etc., and as such has considerable knowledge of finance and accounting, as does Corporate Auditor Minako Mizutani as a result of her experience as a tax accountant.
  4. The Company has submitted notification to the Tokyo Stock Exchange that Directors Noriko Endo, Hideki Kuriyama, Mariko Watahiki, Nobumichi Hattori, and Shigeki Kimura, as well as Corporate Auditors Ayako Sano and Minako Mizutani, have been designated as independent officers as provided for by the aforementioned exchange.
  5. Noted that Director Noriko Endo retired as Outside Director of Techpoint, Inc. on May 30, 2024. Director Toshihide Mizushima had been in charge of Cosmetic and Drug Store Operations Management of the Company until September 2024.
  6. Director Shigeki Kimura has been appointed as Representative Director and Vice President of Seven & i Holdings Co., Ltd. on May 27, 2025.

(ii) Summary of content of liability limitation contracts

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Articles of Incorporation, the Company has concluded contracts with outside Directors and with Corporate Auditors to limit their liability for damages under Article 423, paragraph (1) of the same act.

The maximum amount of liability for damages based on the contracts is the amount stipulated by laws and regulations.

(iii) Summary of content of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy covers losses, including damage compensation and court costs, that may be incurred by the insured.

The insured under said insurance policy include the Directors, Corporate Auditors, employees in management or supervisory positions, and their inheritors, of the Company and its subsidiaries (including second-tier subsidiaries). The Company covers insurance premiums for all insured in full.

(iv) Remuneration of Directors and Corporate Auditors

A. Decision policy regarding the content of individual remuneration for Directors

The Company resolved its decision policy pertaining to the content of individual remuneration for Directors at the meeting of the Board of Directors that was held on June 29, 2022.

Additionally, with respect to individual remuneration for Directors for the fiscal year under review, the Board of Directors has verified that the decision method pertaining to the content of remuneration and the content of the remuneration decided upon is consistent with the decision policy resolved by the Board of Directors and that the report made by the voluntary Nomination and Remuneration Committee is respected, and has determined that they are in line with said decision policy.

The content of the decision policy regarding the content of individual remuneration for Directors is as follows.

a. Basic policy

Directors of the Company are required to work towards improved business performance and sustainable growth while sharing values with our stakeholders so that the Group can fulfill its social role and responsibility by contributing to local healthcare and providing beauty and happiness. The remuneration for Directors of the Company consists of a system comprising monthly fixed remuneration according to roles and responsibilities, bonuses which are performance-linked remuneration that enhance the transparency and objectivity of the remuneration decision process and provide performance incentives, and non-monetary remuneration for recognizing the same perspectives on sustainable growth as shareholders.

However, the remuneration of outside Directors shall consist of a system suitable for the roles and responsibilities of supervising the management of the Company from an independent and objective standpoint.

b. Policy regarding determination of amount of monetary remuneration and the calculation method thereof

Monetary remuneration (that which is neither performance-linked remuneration nor non-monetary remuneration) shall be “basic remuneration” as a fixed monthly amount and shall be decided upon following comprehensive consideration of position, responsibilities, years in office, balance with employee wages, trends of other companies in the same industry and past payment history.

c. Policy on determining the content of performance indicators for performance-linked remuneration and calculation methods for the number or amount thereof as well as policy on determining the content of non-monetary remuneration and calculation methods for the number or amount thereof

Bonuses are determined after comprehensive consideration of consolidated operating profit and ROE for each period and value not directly manifested by financial value including contribution to environmental and social issues in each period, as well as dividends, balance with employee bonuses, trends of other companies in the same industry and past payment history.

Non-monetary remuneration shall be paid by restricted stock (RS), and a standard amount of monetary remuneration claim determined by position and responsibility shall be granted each year up to a total of ¥50 million, with allocation of common stock through in-kind contribution of the monetary remuneration claims. The number of shares of the Company’s common stock to be allocated as restricted stock remuneration shall be no more than 50,000 shares per year.

In the future, the Company will continue to keep a close eye on requests from its shareholders and other stakeholders, trends at competitors, etc. and have the Nomination and Remuneration Committee appropriately examine the ideal form of incentives linked with short-term to medium/long-term performance.

d. Policy regarding decision of composition ratio for each type of remuneration

Taking into consideration the characteristics of the business, business environment, and trends of other companies, the composition ratio of remuneration for Directors other than outside Directors is designed so that

the composition ratio of monthly remuneration, bonuses, and non-monetary remuneration is approximately 70:20:10. Only monthly remuneration will be paid to outside Directors.

e. Decision method regarding the content of individual remuneration for Directors

The specific details for amounts of remuneration for each individual shall be commissioned to the President and Representative Director within the scope of determined parameters by resolution of the Board of Directors after the Nomination and Remuneration Committee prepares a draft of the range of monthly remuneration amount for each position, the content of evaluation of performance related to bonuses and the amount of non-monetary remuneration for each position.

The Nomination and Remuneration Committee is comprised of a majority of independent outside Directors for the purpose of enhancing the fairness, transparency and objectivity of the procedures for determining remuneration for Directors with matters pertaining to remuneration of Directors determined based on the above policy.

f. Matters relating to delegation of decision-making on content of individual remuneration for Directors

The Board of Directors has determined that the President and Representative Director is in the best position to evaluate each Director while taking into consideration the performance of the Company as a whole and other factors, and has delegated to President and Representative Director Kiichi Otani, the decision-making on the specific individual remuneration amounts for basic remuneration, performance-linked remuneration, and non-monetary remuneration for each Director. The President and Representative Director makes decisions on the details delegated to him within the range of amounts resolved by the Board of Directors following the report of the Nomination and Remuneration Committee.

B. Total amount of remuneration for the fiscal year under review

Officer category	Total amount of remuneration (Million yen)	Total amount of remuneration by type (Million yen)			Number of eligible officers (persons)
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (Of whom, outside Directors)	255 (42)	194 (42)	46 (-)	14 (-)	13 (6)
Corporate Auditors (Of whom, outside Corporate Auditors)	24 (15)	24 (15)	0 (-)	- (-)	5 (4)
Total (Of whom, outside officers)	279 (58)	218 (58)	47 (-)	14 (-)	18 (10)

- Notes:
- Salary amounts paid to Directors who also serve as employees for their duties as employees are not included in the amounts paid to Directors.
  - The amount of remuneration for Directors was resolved at the 53rd Ordinary General Meeting of Shareholders held on July 28, 2022 as ¥500 million or less per year (of which ¥50 million or less per year was for outside Directors. Salaries for Directors who also serve as employees for their duties as employees were not included). The number of Directors as of the conclusion of the Ordinary General Meeting of Shareholders in question was 12 (four of whom were outside Directors).  
Furthermore, in addition to monetary remuneration, stock remuneration of ¥50 million or less per year and a maximum number of 50,000 shares per year (not granted to outside Directors) were resolved at the 53rd Ordinary General Meeting of Shareholders held on July 28, 2022. The number of Directors as of the conclusion of the Ordinary General Meeting of Shareholders in question (excluding outside Directors) was eight.
  - The amount of remuneration for Corporate Auditors was resolved at the 22nd Ordinary General Meeting of Shareholders held on July 30, 1991 as ¥30 million or less per year. The number of Corporate Auditors as of the conclusion of the Ordinary General Meeting of Shareholders in question was two.
  - The total amount of performance-linked remuneration above includes an allowance for bonuses to directors of ¥19 million for the fiscal year under review (¥19 million for six Directors; does not apply to outside Directors or to Corporate Auditors). Regarding bonuses, results are stated under “1. (1) Status of businesses in fiscal year under review” based on the policy indicated in “A. Decision policy regarding the content of individual remuneration for Directors.” Additionally, payments were made within the range of amounts reported by the Nomination and Remuneration Committee.
  - The number of Directors as of the final day of the fiscal year under review was 11 (five of whom were outside Directors). The reason for the disparity with the above number of Directors is due to the inclusion of three Directors (two of whom were outside Directors) who resigned following the expiration of their term of service as of the conclusion of the 55th Ordinary General Meeting of Shareholders held on July 30, 2024, and to the exclusion of one sitting Director (who was an outside Director) who was not compensated.
  - The number of Corporate Auditors as of the final day of the fiscal year under review was three (two of whom were outside Corporate Auditors). The reason for the disparity with the above number of Corporate Auditors is due to the inclusion of two Corporate Auditors (both of whom were outside Corporate Auditors) who resigned following the expiration of their term of service as of the conclusion of the 55th Ordinary General Meeting of Shareholders held on July 30, 2024.

C. Decision policy regarding the content of individual remuneration for the Company’s Directors for the 57th business term onward

At the meeting of the Board of Directors held on June 26, 2025, the Company resolved to revise the decision policy regarding the content of individual remuneration for Directors for the 57th business term onward, conditional on Proposal No. 4 being approved and adopted.

The content of the decision policy regarding the content of individual remuneration for Directors for the 57th business term onward is as follows.

a. Basic policy

Directors of the Company are required to work towards improved business performance and sustainable growth while sharing values with our stakeholders so that the Group can fulfill its social role and responsibility by contributing to local healthcare and providing beauty and happiness. The remuneration for Directors of the Company consists of a system comprising monthly fixed remuneration according to roles and responsibilities, bonuses which are performance-linked remuneration that enhance the transparency and objectivity of the remuneration decision process and provide performance incentives, and non-monetary remuneration for recognizing the same perspectives on sustainable growth as shareholders.

However, the remuneration of outside Directors shall consist of a system suitable for the roles and responsibilities of supervising the management of the Company from an independent and objective standpoint.

It should be noted that the Nomination and Remuneration Committee conducts its deliberations based on economic and social conditions, the Company’s business performance, as well as objective indicators and advice that has been provided by external research organizations.

b. Policy regarding determination of amount of monetary remuneration and the calculation method thereof

Monetary remuneration (that which is neither performance-linked remuneration nor non-monetary remuneration) shall be “basic remuneration” as a fixed monthly amount and shall be decided upon following comprehensive consideration of position, responsibilities, years in office, balance with employee wages, remuneration levels at companies of a similar scale throughout all industries, and past payment history. In addition, when an outside Director serves as a chair or member of the Nomination and Remuneration Committee, an allowance (chairperson/member allowance) shall be paid for performing such duties.

c. Policy on determining the content of performance indicators for performance-linked remuneration and calculation methods for the number or amount thereof

Bonuses are paid once per year, with the payment rate determined based on the achievement rate of KPIs (Key Performance Indicators), using consolidated net sales, consolidated operating profit, and ROE for each fiscal year as financial indicators, and CO<sub>2</sub> emissions per net sales of ¥100 million and the ratio of female managers as sustainability indicators. Furthermore, the KPIs and the respective evaluation weights thereof shall be reviewed annually by the Nomination and Remuneration Committee, taking into comprehensive consideration factors such as incentives for achieving management targets for each fiscal year based on the assumption of enhancing corporate value over the medium to long term, as well as social trends and trends at other companies.

The KPIs and the respective evaluation weight in relation to bonuses are as shown in the table below.

KPI	Evaluation weight
Financial indicators	
Consolidated net sales compared to budget	20%
Consolidated operating profit compared to budget	25%
Consolidated operating profit year on year	25%
ROE	20%
Sustainability indicators	
CO <sub>2</sub> emissions per net sales of ¥100 million (Scope 1 and 2)	5%
Ratio of female managers	5%

The achievement rate is calculated by aggregating the results of “actual performance ÷ target × evaluation weight” for each KPI.

The relationship between the achievement rate and the payment rate is as shown in the table below.

Achievement rate	Payment rate
Less than 50%	0%
50% or more, less than 150%	Same as the achievement rate
150% or more	150%

- d. Policy on determining the content of non-monetary remuneration and calculation methods for the number or amount thereof

Non-monetary remuneration shall be paid by restricted stock (RS), and a standard amount of monetary remuneration claim determined by position and responsibility shall be granted each year up to a total of ¥50 million, with allocation of common stock through in-kind contribution of the monetary remuneration claims. The number of shares of the Company's common stock to be allocated as restricted stock remuneration shall be no more than 50,000 shares per year.

In the future, the Company will continue to keep a close eye on requests from its shareholders and other stakeholders, as well as on the remuneration structures of companies of a similar scale throughout all industries, and have the Nomination and Remuneration Committee appropriately examine the ideal form of incentives linked with short-term to medium/long-term performance.

- e. Policy regarding decision of composition ratio for each type of remuneration

Taking into consideration the characteristics of the business, business environment, and trends of other companies, the composition ratio of remuneration for Directors other than outside Directors is designed so that the composition ratio of basic remuneration, bonuses (standard amount), and non-monetary remuneration is approximately 65:25:10. Only basic remuneration will be paid to outside Directors.

- f. Decision method regarding the content of individual remuneration for Directors

Decision of the specific details for amounts of remuneration for each individual shall be commissioned to the Nomination and Remuneration Committee within the scope of determined parameters by resolution of the Board of Directors after the Nomination and Remuneration Committee prepares and deliberates on a draft of the range of monthly remuneration amount for each position, the content of evaluation based on the achievement of KPIs related to bonuses, as well as the amount of non-monetary remuneration for each position, and submits its reports to the Board of Directors.

- g. Matters relating to delegation of decision-making on content of individual remuneration for Directors

The Board of Directors shall delegate to the Nomination and Remuneration Committee the authority to determine the specific amounts of basic remuneration, performance-linked remuneration, and non-monetary remuneration for each individual Director. The purpose of this delegation is to ensure fairness, transparency, and objectivity in the determination of Director remuneration by delegating authority to the Nomination and Remuneration Committee, which is composed of a majority of independent outside Directors and is chaired by an independent outside Director. The Nomination and Remuneration Committee makes decisions on the details delegated to it within the range of amounts resolved by the Board of Directors following the report of the Nomination and Remuneration Committee.

- (v) Matters relating to outside officers

- A. Status of significant concurrent positions in other corporations, etc. and the relationship between the Company and said other corporations, etc.

- Director Noriko Endo concurrently serves as Professor of Research Council, Waseda University, Outside Director of Hankyu Hanshin Holdings, Inc., Outside Director of Japan Elevator Service Holdings Co., Ltd. and Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION. Noted that she retired as Outside Director of Techpoint, Inc. on May 30, 2024.

There is no special relationship between the Company and each entity at which she holds a concurrent position.

- Director Hideki Kuriyama concurrently serves as Professor of Hakuoh University, Chief Baseball Officer of Hokkaido Nipponham Fighters and Specially Appointed Professor of Hokkai-Gakuen University.

There is no special relationship between the Company and each entity at which he holds a concurrent position.

- Director Mariko Watahiki concurrently serves as attorney at law at Okamura Law Office, Outside Director of LIXIL Corporation, and the President of Family Problems Information Center.

There is no special relationship between the Company and said organizations, companies or corporations. Although the Company makes donations to the Family Problems Information Center (FPIC), the annual amount of these

donations does not exceed ¥10 million.

- Director Nobumichi Hattori concurrently serves as Outside Director of FAST RETAILING CO., LTD., Guest Professor of Graduate School of Business and Finance, Waseda University, Outside Director of Hakuhold DY Holdings Inc., and Visiting Professor of Graduate School of Business Administration of Keio University.

There is no special relationship between the Company and each entity at which he holds a concurrent position.

- Director Shigeki Kimura concurrently serves as Vice President and Director, as well as Division Manager of Management, of Seven-Eleven Japan Co., Ltd.

Although Seven-Eleven Japan Co., Ltd., and subsidiaries of the Company have transactions involving real estate leasing, the amount of such transactions is less than 1% of the annual consolidated net sales of both parties.

- Corporate Auditor Ayako Sano concurrently serves as Representative of Aya Law Office, Outside Director of SKYLARK HOLDINGS CO., LTD., Outside Director of Sodick Co., Ltd., Outside Corporate Auditor of CLAS Inc., and Auditor of Research Institute of Economy, Trade and Industry.

There is no special relationship between the Company and each entity at which she holds a concurrent position.

- Corporate Auditor Minako Mizutani concurrently serves as Representative Partner of Moore Shisei Tax Corporation and as Outside Corporate Auditor of The Yamanashi Chuo Bank, Ltd.

There is no special relationship between the Company and each entity at which she holds a concurrent position.

B. Total amount of officer remuneration received by outside officers from Company subsidiaries, etc.

No applicable matters are present.

C. Status of main activities of outside officers in the fiscal year under review

Category	Name	Status of main activities and overview of duties performed with respect to expected roles
Director	Noriko Endo	Ms. Noriko Endo attended all 14 meetings of the Board of Directors held during the fiscal year under review. She has worked as an editor of an economic magazine, covering a diverse range of fields, including the retail and distribution businesses, and has gained a wealth of knowledge through her reporting activities. She is also well-versed in energy and environmental problems as a result of her research into public policy as it pertains to energy, in which area she possesses a wide range of insights. In addition, she has gained knowledge from her involvement in reviews on social security and other such issues as a member of the government's council related to the fiscal system, and through her experience as an outside Director of other listed companies, she has also developed a deep knowledge of corporate management in the IT, telecommunications, railroad, real estate, and other businesses. She has provided advice at meetings of the Board of Directors mainly in the areas of business strategy, compliance, DX strategy, and the Dispensing Pharmacy Business. Additionally, at the seven meetings of the Nomination and Remuneration Committee that were held in the fiscal year under review, she was involved in discussions regarding the succession plan, the skill set of the Board of Directors, and the scope of executive remuneration, and provided appropriate supervision of the Company's corporate governance.
Director	Hideki Kuriyama	Mr. Hideki Kuriyama attended 13 out of the 14 meetings of the Board of Directors held during the fiscal year under review. He has extensive knowledge of governance and human resource development at organizations from experiences such as managing a professional baseball team as well as the Japan national baseball team, and worked as a professor at the Faculty of Business Administration of a university; he has provided advice at meetings of the Board of Directors mainly from a human capital investment perspective.

Category	Name	Status of main activities and overview of duties performed with respect to expected roles
Director	Mariko Watahiki	<p>Since being appointed in July 2024, Ms. Mariko Watahiki attended all ten meetings of the Board of Directors held during the fiscal year under review. Ms. Watahiki has many years of experience as a judge, and in addition to having resolved numerous civil cases, including some related to corporate legal and labor issues, she has served as the president of multiple high courts. Based on her thorough understanding of compliance and governance, and a long track record of involvement in organizational management in such areas as personnel management, human resources development and crisis management, she mainly provides advice on legal affairs, compliance, governance, and human resource development at meetings of the Company's Board of Directors.</p> <p>Additionally, at the four meetings of the Nomination and Remuneration Committee that were held in the fiscal year under review, she was involved in discussions regarding the succession plan, the skill set of the Board of Directors, and the scope of executive remuneration, and provided appropriate supervision of the Company's corporate governance.</p>
Director	Nobumichi Hattori	<p>Since being appointed in July 2024, Mr. Nobumichi Hattori attended all ten meetings of the Board of Directors held during the fiscal year under review. Having gained experience in the supervision of the M&amp;A advisory business at a major U.S. investment bank, Mr. Hattori is currently engaged in teaching M&amp;A, corporate valuation, and related subjects at a graduate institute, and is well-versed in corporate valuation in the capital markets. Based on this expertise, as well as his experience as an outside Director at other listed companies, he primarily provides advice on M&amp;A and financial strategy at meetings of the Company's Board of Directors.</p>
Director	Shigeki Kimura	<p>Since being appointed in July 2024, Mr. Shigeki Kimura attended all ten meetings of the Board of Directors held during the fiscal year under review. As a Director of a major retail company, he has abundant knowledge of management roles, and based on his wide-ranging insights and experience in such areas as management accounting, and risk management, he provides advice to the Company's Board of Directors on a wide range of matters, including business strategy, finance, compliance, governance, and human resource development.</p>
Corporate Auditor	Ayako Sano	<p>Since being appointed in July 2024, Ms. Ayako Sano attended all ten meetings of the Board of Directors and all ten meetings of the Board of Corporate Auditors, which were held in the fiscal year under review. With wide-ranging knowledge as an attorney at law, including corporate legal affairs, experience as an outside Director and Corporate Auditor at other companies, experience as an auditor of an incorporated administrative agency, insights into taxation, and practical experience in a securities company, she makes necessary remarks at meetings of the Board of Directors and the Board of Corporate Auditors, mainly in the areas of legal affairs, compliance, governance, and finance. Additionally, as an extraordinary member of the Company's Compliance Committee, she appropriately oversees the operation of the Committee.</p>
Corporate Auditor	Minako Mizutani	<p>Since being appointed in July 2024, Ms. Minako Mizutani attended nine of ten meetings of the Board of Directors and all ten meetings of the Board of Corporate Auditors, which were held in the fiscal year under review. Based on her experience as an outside Corporate Auditor at other listed company and as representative partner at a tax accountant corporation, as well as her specialist experience in finance and accounting, she makes necessary remarks at meetings of the Board of Directors and the Board of Corporate Auditors, mainly in the areas of finance and accounting.</p>

## Consolidated Financial Statements

### Consolidated Balance Sheet

(As of April 30, 2025)

(Million yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>112,808</b>	<b>Current liabilities</b>	<b>132,045</b>
Cash and deposits	26,881	Accounts payable - trade	80,895
Accounts receivable - trade	22,295	Short-term borrowings	12,151
Merchandise	35,572	Income taxes payable	4,449
Supplies	499	Deposits received	20,685
Short-term loans receivable	348	Provision for bonuses	4,167
Accounts receivable	20,611	Provision for bonuses for directors (and other officers)	23
Other current assets	6,601	Contract liabilities	534
Allowance for doubtful accounts	(0)	Other current liabilities	9,136
<b>Non-current assets</b>	<b>199,112</b>	<b>Non-current liabilities</b>	<b>37,243</b>
<b>Property, plant and equipment</b>	<b>49,712</b>	Long-term borrowings	26,469
Buildings and structures	31,648	Lease liabilities	105
Land	10,218	Retirement benefit liability	4,778
Construction in progress	1,652	Asset retirement obligations	4,081
Other tangible fixed assets	6,192	Other noncurrent liabilities	1,808
<b>Intangible assets</b>	<b>97,621</b>	<b>Total liabilities</b>	<b>169,288</b>
Goodwill	84,772	<b>Net assets</b>	
Other intangible assets	12,848	<b>Shareholders' equity</b>	<b>141,717</b>
<b>Investments and other assets</b>	<b>51,778</b>	Share capital	21,894
Investment securities	3,233	Capital surplus	20,128
Long-term loans receivable	665	Retained earnings	101,692
Deferred tax assets	7,679	Treasury shares	(1,997)
Leasehold and guarantee deposits	31,091	<b>Accumulated other comprehensive income</b>	<b>802</b>
Other investments and other assets	9,357	Valuation difference on available-for-sale securities	298
Allowance for doubtful accounts	(249)	Deferred gains or losses on hedges	189
		Foreign currency translation adjustment	(3)
		Remeasurements of defined benefit plans	318
		<b>Non-controlling interests</b>	<b>111</b>
		<b>Total net assets</b>	<b>142,632</b>
<b>Total assets</b>	<b>311,921</b>	<b>Total liabilities and net assets</b>	<b>311,921</b>

**Consolidated statement of income**  
(From May 1, 2024 to April 30, 2025)

(Million yen)

Item	Amount
<b>Net sales</b>	<b>456,804</b>
<b>Cost of sales</b>	<b>382,368</b>
<b>Gross profit</b>	<b>74,436</b>
<b>Selling, general and administrative expenses</b>	<b>57,565</b>
<b>Operating profit</b>	<b>16,871</b>
<b>Non-operating income</b>	<b>2,069</b>
Interest income	49
Dividend income	36
Commission income	7
Subsidy income	630
Other	1,345
<b>Non-operating expenses</b>	<b>859</b>
Interest expenses	264
Other	594
<b>Ordinary profit</b>	<b>18,080</b>
<b>Extraordinary income</b>	<b>817</b>
Gain on sale of non-current assets	168
Gain on sale of businesses	561
Other	87
<b>Extraordinary losses</b>	<b>2,193</b>
Loss on sale and retirement of non-current assets	206
Impairment losses	1,848
Other	137
<b>Profit before income taxes</b>	<b>16,705</b>
Income taxes - current	8,280
Income taxes - deferred	(843)
<b>Profit</b>	<b>9,268</b>
Profit attributable to non-controlling interests	7
<b>Profit attributable to owners of parent</b>	<b>9,261</b>