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(Stock Exchange Code 3088)

June 4, 2021

To Shareholders with Voting Rights:

Kiyoo Matsumoto
President
Matsumotokiyoshi Holdings Co., Ltd.
9-1 Shinmatsudo-Higashi, Matsudo-shi,
Chiba, Japan

NOTICE OF THE 14TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Matsumotokiyoshi Holdings Co., Ltd. (the "Company") would hereby like to inform you that the 14th Annual General Meeting of Shareholders will be held for the purposes as described below.

We will not hand out souvenirs to shareholders attending the meeting this year.

In a bid to prevent the spread of COVID-19, instead of attending the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Monday, June 28, 2021, Japan time.

- 1. Date and Time:** Tuesday, June 29, 2021 at 11:00 a.m. Japan time (Open for reception: 10:00 a.m.)
- 2. Place:** Conference room at the Corporate Headquarters located at 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 14th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditors and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 14th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

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|---------------------|--|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of ten (10) Directors |
| Proposal 3: | Election of one (1) Substitute Corporate Auditor |
| Proposal 4: | Election of Accounting Auditor |
| Proposal 5: | Approval of the Share Exchange Agreement |
| Proposal 6: | Approval of the Incorporation-type Company Split |
| Proposal 7: | Approval of the Absorption-type Company Split Agreement |
| Proposal 8: | Election of five (5) Directors in association with the Management Integration |
| Proposal 9: | Election of one (1) Corporate Auditor in association with the Management Integration |
| Proposal 10: | Partial Amendments to the Articles of Incorporation |
| Proposal 11: | Revision on the Amount of Compensation for Directors |

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- ◎When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎Systems to Secure the Appropriateness of Business, Summary of Operational Status of Systems to Secure the Appropriateness of Business, Notes on the Consolidated Financial Statements, Notes on the Non-consolidated Financial Statements, and the Non-consolidated Financial Statements for the final fiscal year (from April 1, 2020 to March 31, 2021) of cocokara fine Inc., as part of documents that shall be provided with this Notice, have been posted on the Company's website (<https://www.matsumotokiyoshi-hd.co.jp/investors/meeting.html>), based on laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents attached to the Notice of the 14th Annual General Meeting of Shareholders constitute a part of Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditor and Corporate Auditor in preparation for Accounting Audit Report and Audit Report.
 - ◎If Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements are amended, the Company will post the updated documents on the Company's website.
 - ◎Depending on how the situation with COVID-19 outbreak, we may change the way the meeting is operated giving the highest priority to the safety of our shareholders. If there is any change in running the meeting operation, we will post the information on the Company's website. Please check before attending the meeting.
 - ◎In lieu of sending a notice of the results of the meeting, the results of the exercise of voting rights will be posted on the Company's website after the closing of the 14th Annual General Meeting of Shareholders.
 - ◎The below is the URL of the Company's website mentioned above.
URL:<https://www.matsumotokiyoshi-hd.co.jp/index.html>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Appropriation of surplus shall be as follows:

Matters concerning the year-end dividend

The Company regards the distribution of profit to the shareholders to be one of the most important issues for management. The Company's basic policy is to make payment of dividends in line with earnings growth, with an emphasis on maintaining steady dividends by strengthening management bases and improving profitability.

The Company will utilize its internal reserves for investments that will lead to the Company's growth, such as expansion of existing businesses and development of new businesses including infrastructure development and expansion of services as well as M&A, in order to cope with the expected changes in business environment.

Based on the above policy, the Company proposes to pay a year-end dividend of ¥35 per share for the fiscal year ended March 31, 2021.

(1) Type of dividend assets

Cash

(2) Appropriation of dividend assets and amount of appropriation

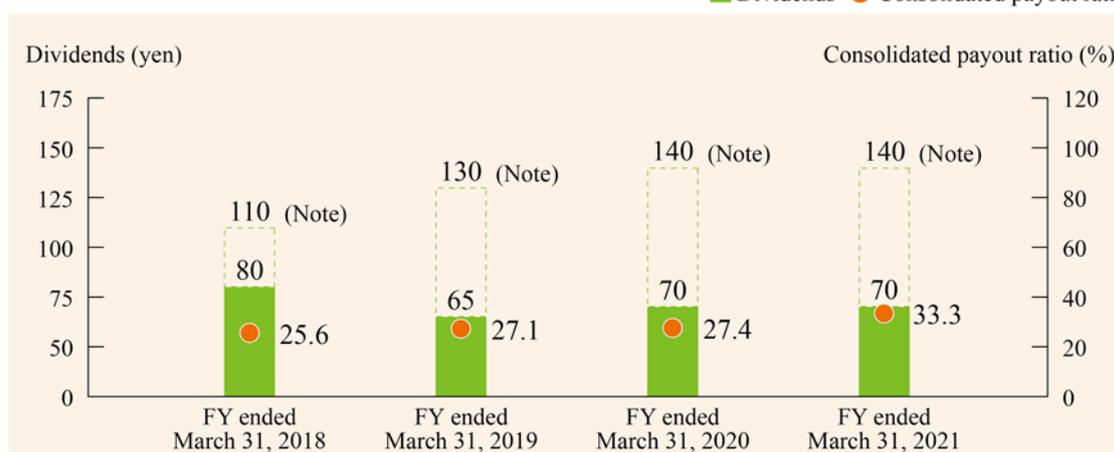
¥35 per share of common stock of the Company (total amount ¥3,597,355,510)

(3) Surplus dividend effective date

June 30, 2021

(Reference) Dividends per share (annual)/Changes in consolidated payout ratio

■ Dividends ● Consolidated payout ratio



(Note) Effective January 1, 2018, the Company conducted a 2-for-1 stock split of common stock. When converted to a pre-stock split basis, the year-end dividends for FY ended March 31, 2018, FY ended March 31, 2019, FY ended March 31, 2020, and FY ended March 31, 2021 are equivalent to ¥110, ¥130, ¥140, and ¥140, respectively.

Proposal 2: Election of ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of ten (10) Directors is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance rate at the Board of Directors meetings
1	[Reelection] Namio Matsumoto	Chairman	14/14 (100%)
2	[Reelection] Kiyoo Matsumoto	President	14/14 (100%)
3	[Reelection] Takashi Matsumoto	Senior Managing Director, General Manager of Sales Management Division	14/14 (100%)
4	[Reelection] Takao Ohta	Managing Director, General Manager of Strategic Business Development Division	14/14 (100%)
5	[Reelection] Shingo Obe	Director, General Manager of Administrative Division	14/14 (100%)
6	[Reelection] Akio Ishibashi	Director, General Manager of Corporate Strategy Planning Division	14/14 (100%)
7	[Reelection] [Outside Director Candidate] [Independent] Isao Matsushita	Director	13/14 (92.9%)
8	[Reelection] [Outside Director Candidate] [Independent] Hiroo Omura	Director	14/14 (100%)
9	[Reelection] [Outside Director Candidate] [Independent] Keiji Kimura	Director	14/14 (100%)
10	[Reelection] [Outside Director Candidate] [Independent] Tomoko Okiyama	Director	10/10 (100%)

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	 <p data-bbox="197 965 394 1055">Namio Matsumoto (March 4, 1943) [Reelection]</p>	<p data-bbox="432 333 1283 819"> April 1965 Joined Drugstore Matsumotokiyoshi, Ltd. (currently Matsumotokiyoshi Co., Ltd.) April 1975 Senior Managing Director, Drugstore Matsumotokiyoshi, Ltd. July 1997 Director and Vice President, Matsumotokiyoshi Co., Ltd. June 1998 Representative Director and Vice President, Matsumotokiyoshi Co., Ltd. June 1999 Chairman, Japan Association of Chain Drug Stores February 2001 President, Matsumotokiyoshi Co., Ltd. May 2002 Vice Chairman, Self-Medication Advocacy Council October 2007 President of the Company April 2009 Chairman and CEO of the Company April 2011 Chairman, President and CEO of the Company June 2011 Chairman and President of the Company April 2014 Chairman of the Company (current position) [Significant concurrent positions] — </p> <p data-bbox="432 826 1283 1160"> [Reasons for nomination as a candidate for Director] Since Mr. Namio Matsumoto's assumption of the position of Representative Director of the Company, he has led the Group with his powerful vision and strong leadership, and through his efforts to increase corporate value he has established the Group's firm position in the drug store industry. He also made efforts to establish the Japan Association of Chain Drug Stores, and through those activities, he has established the overall position of the drug store industry, contributing to the industry's development as a result. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to request his continued election as Director. </p> <p data-bbox="432 1167 1283 1227"> [Special interest between the candidate and the Company] There are no special interests between Mr. Namio Matsumoto and the Company. </p> <p data-bbox="432 1234 1283 1406"> The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement. </p> <p data-bbox="432 1413 1283 1467"> [Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%) </p>	2,947,000

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	 <p>Kiyoo Matsumoto (January 20, 1973) [Reelection]</p>	<p>June 1995 Joined Matsumotokiyoshi Co., Ltd. April 2005 General Manager of Merchandise Department, Matsumotokiyoshi Co., Ltd. June 2005 Director and General Manager of Merchandise Department, Matsumotokiyoshi Co., Ltd. July 2007 Director and Merchandise Manager of Sales Division, Matsumotokiyoshi Co., Ltd. October 2007 Director of the Company April 2008 Managing Director of the Company July 2008 Managing Director in charge of Sales Planning and Merchandise Control of the Company April 2009 Senior Managing Director in charge of Sales Planning and Merchandise Control of the Company April 2010 Senior Managing Director supervising Corporate Planning, Sales Planning and Merchandise Control of the Company April 2011 President, Matsumotokiyoshi Co., Ltd. April 2013 Representative Director and Vice President supervising Corporate Planning, Sales Planning and Merchandise Control of the Company April 2014 President of the Company (current position) Chairman, Matsumotokiyoshi Co., Ltd.</p> <p>[Significant concurrent positions] Advisor, Matsumotokiyoshi Co., Ltd. Representative Director, Nankai Kousan Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Kiyoo Matsumoto's assumption of the position of Representative Director of the Company, he has carried on the "feelings" of past company heads within a difficult business environment, provided the "Matsumotokiyoshi WAY" as shared principles for all people working in the Group and striven for their widespread adoption, and further strengthened the unity of the Group as a whole. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to request his continued election as Director.</p> <p>[Special interest between the candidate and the Company] Mr. Kiyoo Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.</p> <p>[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	2,518,920

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	 <p data-bbox="193 1106 400 1196">Takashi Matsumoto (May 8, 1975) [Reelection]</p>	<p data-bbox="432 286 1287 1099"> April 1999 Joined Sato Pharmaceutical Co., Ltd. April 2002 Joined Matsumotokiyoshi Co., Ltd. April 2008 General Manager of Drugstore Business Division and General Manager of Business Support Office, Matsumotokiyoshi Co., Ltd. April 2009 Executive Officer of the Company Director, Assistant General Manager of Drugstore Business Division, General Manager of Business Support Office and General Manager of PJ Promotion Planning Office, Matsumotokiyoshi Co., Ltd. April 2010 Director, General Manager of Sales Promotion Division, General Manager of Sales Promotion Department and General Manager of Mail-order Sales, Matsumotokiyoshi Co., Ltd. April 2012 Managing Director (in charge of Store Operations), General Manager of Store Operations Division, Matsumotokiyoshi Co., Ltd. June 2013 Director supervising Sales of the Company April 2014 Director supervising Sales Planning and Merchandise Control of the Company April 2015 Managing Director supervising Sales Planning and Merchandise Control of the Company Senior Managing Director and General Manager of Store Operations Division, Matsumotokiyoshi Co., Ltd. April 2017 Managing Director and General Manager of Sales Management Division of the Company April 2019 Senior Managing Director and General Manager of Sales Management Division of the Company (current position) April 2021 President, Matsumotokiyoshi Co., Ltd. (current position) </p> <p data-bbox="432 1106 943 1189"> [Significant concurrent positions] President, Matsumotokiyoshi Co., Ltd. Representative Director, Nankai Kousan Co., Ltd. </p> <p data-bbox="432 1196 1287 1559"> [Reasons for nomination as a candidate for Director] Since Mr. Takashi Matsumoto's assumption of the position of Director of the Company, he has supervised sales departments in the fields of sales promotion, sales planning, online business, merchandize, overseas business, etc. He has strived to oversee the sales departments with a focus on business strategies of building a new business model tailored toward demand creation, the further evolution of customer relationship management (CRM) based on an multi-channel strategy, the increase of market share, and the establishment of a strong revenue base, and has contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., to further create corporate value for the Group, the Company would like to request his continued election as Director. </p> <p data-bbox="432 1565 1287 1682"> [Special interest between the candidate and the Company] Mr. Takashi Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing. </p> <p data-bbox="432 1688 1287 1868"> The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement. </p> <p data-bbox="432 1874 1145 1924"> [Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%) </p>	2,519,680

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	 <p data-bbox="196 1108 408 1198">Takao Ohta (December 23, 1951) [Reelection]</p>	<p data-bbox="432 286 1289 1265"> April 1974 Joined The Daiei, Inc. March 2005 General Manager of Home Living Group, The Daiei, Inc. September 2005 Joined Sugi Pharmacy Co., Ltd. January 2006 Executive Manager of Products Department, Sugi Pharmacy Co., Ltd. May 2008 Director, General Manager of Products Department, Sugi Pharmacy Co., Ltd. September 2008 Executive Officer in charge of Group Product Strategy, Sugi Holdings Co., Ltd. January 2010 Executive Officer, General Manager of Group Merchandise Division, Sugi Holdings Co., Ltd. Managing Director, General Manager of Sales Division, Sugi Pharmacy Co., Ltd. March 2011 Executive Officer, General Manager of Group Merchandise Division, Sugi Holdings Co., Ltd. Representative Director and Vice President, General Manager of Sales Division, Sugi Pharmacy Co., Ltd. March 2013 Director, General Manager of Product Management Office, Sugi Holdings Co., Ltd. Chairman, Sugi Pharmacy Co., Ltd. May 2014 Joined Matsumotokiyoshi Co., Ltd. Seconded to the Company as Consultant to Senior Managing Director supervising Management and Control January 2015 Director, Matsumotokiyoshi Co., Ltd. April 2015 Executive Officer of the Company Senior Managing Director, Matsumotokiyoshi Co., Ltd. April 2016 Director and Vice President, Matsumotokiyoshi Co., Ltd. April 2017 Executive Officer, General Manager of Strategic Business Development Division of the Company President, Matsumotokiyoshi Co., Ltd. June 2019 Managing Director, General Manager of Strategic Business Development Division of the Company (current position) April 2021 Chairman, Matsumotokiyoshi Co., Ltd. (current position) [Significant concurrent positions] Chairman, Matsumotokiyoshi Co., Ltd. </p> <p data-bbox="432 1328 1289 1556"> [Reasons for nomination as a candidate for Director] Mr. Takao Ohta has worked mainly with a focus on business strategies of building a new business model, expanding multi-store networks, strengthening and expanding the pharmacy business, optimizing the overall supply chain, and expanding market share, as the Company's Managing Director and General Manager of Strategic Business Development Division as well as Chairman of the Group' core company, Matsumotokiyoshi Co., Ltd., and has contributed to the increase of the Group's corporate value. In order for him to use this abundant experience and deep insight, to further create corporate value for the Group, the Company would like to request his continued election as Director. </p> <p data-bbox="432 1646 1289 1702"> [Special interest between the candidate and the Company] There are no special interests between Mr. Takao Ohta and the Company. </p> <p data-bbox="432 1709 1289 1877"> The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement. </p> <p data-bbox="432 1883 1289 1933"> [Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%) </p>	4,720

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	 <p data-bbox="213 1144 391 1234">Shingo Obe (August 5, 1962) [Reelection]</p>	<p data-bbox="432 286 1289 1189"> April 1985 Joined The Daiei, Inc. September 1999 Manager of Employment and Education Section, Employment and Education Department, Personnel Planning Office and Manager of Personnel Section, Personnel Department, The Daiei, Inc. June 2002 Joined MEDICAL ASSOCIA INC., General Manager of Staffing Department April 2003 Joined Adecco Career Staff Co., Ltd. (currently Adecco Ltd.), Manager of Personnel Administration Section, Personnel Department and General Manager of Personnel Department, Personnel Division December 2006 Joined Matsumotokiyoshi Co., Ltd., Deputy General Manager of Personnel Department July 2007 General Manager of Personnel Department, Matsumotokiyoshi Co., Ltd. January 2008 General Manager of Personnel Department of the Company July 2010 Executive Officer and General Manager of Personnel Department of the Company April 2012 Director and General Manager of Personnel, Matsumotokiyoshi Co., Ltd. June 2015 Executive Officer and General Manager of Personnel Department (concurrently General Manager of Internal Controls Office) of the Company April 2016 Executive Officer and General Manager of Personnel Department of the Company April 2017 Executive Officer, General Manager of Administrative Division and General Manager of Personnel Department of the Company June 2017 Director, General Manager of Administrative Division and General Manager of Personnel Department of the Company April 2019 Director, General Manager of Administrative Division of the Company (current position) </p> <p data-bbox="432 1189 1034 1272"> [Significant concurrent positions] President, Matsumotokiyoshi Asset Management Co., Ltd. Director, Matsumotokiyoshi Wholesale Co., Ltd. </p> <p data-bbox="432 1272 1289 1653"> [Reasons for nomination as a candidate for Director] Mr. Shingo Obe has been involved in creating the personnel structure and building the personnel strategy for the Group, and additionally has held posts as the individual responsible for internal controls and legal affairs, and possesses not only experience and insight regarding personnel and human resources management, but also broad experience and insight regarding compliance and risk management. Additionally, he has supervised administrative departments as Director, contributing to maintaining management foundations through initiatives such as promotion of new business models and shift to multi-channel, in addition to creating an environment where group companies can focus on each business. In order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company requests his continued election as Director. </p> <p data-bbox="432 1653 1185 1713"> [Special interest between the candidate and the Company] There are no special interests between Mr. Shingo Obe and the Company. </p> <p data-bbox="432 1713 1289 1888"> The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement. </p> <p data-bbox="432 1888 1145 1946"> [Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%) </p>	5,254

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	 <p data-bbox="188 1104 414 1193">Akio Ishibashi (November 15, 1964) [Reelection]</p>	<p data-bbox="432 286 1287 342">April 1989 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation), Tokyo Corporate Banking Department</p> <p data-bbox="432 342 1287 398">August 1989 Seconded to General Research Institute (currently The Japan Research Institute, Limited), Mitsui Bank</p> <p data-bbox="432 398 1287 454">June 1999 M&A Advisory Services Department, Wholesale Banking Unit, Mitsui Bank</p> <p data-bbox="432 454 1287 510">February 2002 Joined Mitsubishi Corporation, M&A Unit, Finance Business Division</p> <p data-bbox="432 510 1287 544">January 2008 Treasurer's Office, Mitsubishi Corporation</p> <p data-bbox="432 544 1287 633">October 2009 Joined Matsumotokiyoshi Co., Ltd. General Manager of Business Development Office of the Company</p> <p data-bbox="432 633 1287 689">July 2011 General Manager of Corporate Planning Department of the Company</p> <p data-bbox="432 689 1287 835">April 2012 Executive Officer and General Manager of Corporate Planning Department of the Company Director and General Manager of Operation Planning Department, Store Operations Division, Matsumotokiyoshi Co., Ltd.</p> <p data-bbox="432 835 1287 925">June 2015 Executive Officer and General Manager of Corporate Planning Department (concurrently General Manager of Finance and Accounting Department) of the Company</p> <p data-bbox="432 925 1287 1014">April 2017 Executive Officer, General Manager of Corporate Strategy Planning Division and General Manager of Corporate Planning Department of the Company</p> <p data-bbox="432 1014 1287 1104">June 2017 Director, General Manager of Corporate Strategy Planning Division and General Manager of Corporate Planning Department of the Company</p> <p data-bbox="432 1104 1287 1160">April 2019 Director, General Manager of Corporate Strategy Planning Division of the Company (current position)</p> <p data-bbox="432 1160 1287 1238">[Significant concurrent positions] Director, Matsumotokiyoshi Asset Management Co., Ltd. Director, Matsumotokiyoshi Wholesale Co., Ltd.</p> <p data-bbox="432 1238 1287 1653">[Reasons for nomination as a candidate for Director] Mr. Akio Ishibashi has been involved in formulation of the Group management policy and management strategy, and formulation and management of annual plans, and additionally has contributed to expanding business scale and increasing management efficiency through internal Group reorganization and management of KPIs for each Group company. Additionally, he has supervised corporate planning department as Director, contributing to creating the Group's growth foundations through initiatives such as making proposals and providing operational support toward the creation and evolution of new business models as well as implementing advancements in CRM based on customer data held by the Company. In order for him to use this abundant experience and insight in order to further create corporate value for the Group, the Company requests his continued election as Director.</p> <p data-bbox="432 1653 1287 1709">[Special interest between the candidate and the Company] There are no special interests between Mr. Akio Ishibashi and the Company.</p> <p data-bbox="432 1709 1287 1888">The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.</p> <p data-bbox="432 1888 1287 1944">[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	5,534

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	 <p>Isao Matsushita (April 3, 1947) [Outside Director Candidate] [Reelection] [Independent]</p>	<p>April 1970 Joined Nippon Mining Co. (currently ENEOS Corporation)</p> <p>April 2001 Executive Officer, Assistant to General Manager of Corporate Planning Department and Chief of Corporate Planning Department (in charge of Finance), Japan Energy Corporation (currently ENEOS Corporation)</p> <p>September 2002 Director and in charge of Finance at Finance Group, Nippon Mining Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>June 2003 Managing Director, Nippon Mining Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>April 2004 Managing Executive Officer, Japan Energy Corporation (currently ENEOS Corporation)</p> <p>June 2004 Director and Managing Executive Officer, Japan Energy Corporation (currently ENEOS Corporation)</p> <p>April 2005 Director and Senior Executive Officer, Japan Energy Corporation (currently ENEOS Corporation)</p> <p>June 2006 Representative Director and President, Japan Energy Corporation (currently ENEOS Corporation)</p> <p>June 2010 Representative Director, Vice President, Executive Officer and Assistant to President, JX Nippon Oil & Energy Corporation (currently ENEOS Corporation)</p> <p>June 2012 Representative Director and President, JX Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>June 2015 Advisor, JXTG Holdings, Inc. (currently ENEOS Holdings, Inc.)</p> <p>June 2016 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions] External Director of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>[Reasons for nomination as a candidate for Outside Director and roles expected of the candidate] Mr. Isao Matsushita has been involved in corporate management in JXTG Group's companies for many years, and possesses abundant experience and insight regarding management. In addition, he has experience as an Outside Director at other companies, and as the Company expects him to use this high level of insight, experience, and auditing ability in corporate management in the supervision of the management of the Company, we would like request his continued election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Isao Matsushita and the Company.</p> <p>The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.</p> <p>[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 13/14 (attendance rate: 92.9%)</p>	—

(Notes)

1. Term of office of Mr. Isao Matsushita
His term of office will have reached 5 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Isao Matsushita is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Matsushita is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Isao Matsushita is now serving as Outside Director of the Company, he fulfills the criteria for independence set forth by the Company (see page 18), and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	 <p>Hiroo Omura (November 27, 1946) [Outside Director Candidate] [Reelection] [Independent]</p>	<p>May 1970 Joined Sumitomo Life Insurance Company July 1980 General Manager of Training Department, Higashi Naniwa Branch, Sumitomo Life Insurance Company July 1982 Acting General Manager of Tokyo Finance Department (stationed in Aomori), Sumitomo Life Insurance Company January 1986 Acting General Manager of Tokyo Corporate Sales Division No. 4, Sumitomo Life Insurance Company July 1988 Seconded to THE NIPPON ROAD Co., Ltd., General Manager of Development Business Department April 1991 Returned to Sumitomo Life Insurance Company, Corporate Sales Manager of Shinjuku-Chuo Branch September 1991 Joined THE NIPPON ROAD Co., Ltd., General Manager of Sales Department No. 1 April 1998 General Manager of Sales Planning Department, THE NIPPON ROAD Co., Ltd. April 2002 General Manager of Kanto Manufacturing and Sales Branch, THE NIPPON ROAD Co., Ltd. April 2003 General Manager of Manufacturing and Sales Department at the Head Office, THE NIPPON ROAD Co., Ltd. April 2004 Executive Officer and Executive Manager of Sales Department No. 2, THE NIPPON ROAD Co., Ltd. April 2008 Senior Executive Officer and Deputy General Manager of Sales Division, THE NIPPON ROAD Co., Ltd. April 2012 Executive Advisor, THE NIPPON ROAD Co., Ltd. April 2014 Administrative Manager of Planning Department, Japan Environment Association March 2017 Retired from Japan Environment Association June 2018 Outside Director of the Company (current position) [Significant concurrent positions] —</p> <p>[Reasons for nomination as a candidate for Outside Director and roles expected of the candidate] Mr. Hiroo Omura has been involved in sales, development, and sales planning for many years at insurance companies and other companies, and possesses abundant experience and insight. In addition, he has also been involved in environmental businesses at the Japan Environment Association, and as the Company expects him to use this high level of insight, experience, and auditing ability in corporate management in the supervision of the management of the Company, we would like to request his election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Hiroo Omura and the Company.</p> <p>The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.</p> <p>[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	—

(Notes)

1. Term of office of Mr. Hiroo Omura
His term of office will have reached 3 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Hiroo Omura is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Hiroo Omura is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Hiroo Omura is now serving as Outside Director of the Company, he fulfills the criteria for independence set forth by the Company (see page 18), and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	 <p>Keiji Kimura (February 21, 1947) [Outside Director Candidate] [Reelection] [Independent]</p>	<p>May 1970 Joined MITSUBISHI ESTATE CO., LTD. June 1996 General Manager of Secretary Department, Mitsubishi Estate Co., Ltd. January 1998 General Manager of Planning Department, Mitsubishi Estate Co., Ltd. April 2000 General Manager of Corporate Planning Department, Corporate Planning Division, Mitsubishi Estate Co., Ltd. June 2000 Director and General Manager of Corporate Planning Department, Corporate Planning Division, Mitsubishi Estate Co., Ltd. April 2003 Director and Senior Executive Officer, Deputy General Manager of Corporate Planning & Administration Division, Mitsubishi Estate Co., Ltd. June 2003 Senior Executive Officer and Deputy General Manager of Corporate Planning & Administration Division, Mitsubishi Estate Co., Ltd. April 2004 Executive Vice President in charge of International Business Division, Mitsubishi Estate Co., Ltd. Concurrently President and Director, Royal Park Hotels and Resorts Company, Limited. June 2004 Representative Director and Executive Vice President in charge of International Business Division, Mitsubishi Estate Co., Ltd. June 2005 President and Representative Director, Mitsubishi Estate Co., Ltd. April 2011 Chairman & Representative Director, Mitsubishi Estate Co., Ltd. June 2016 Chairman of the Board, Mitsubishi Estate Co., Ltd. April 2017 Director, Mitsubishi Estate Co., Ltd. June 2017 Senior Advisor, Mitsubishi Estate Co., Ltd. (current position) June 2018 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions] Senior Advisor, Mitsubishi Estate Co., Ltd. Outside Director, Japan Airport Terminal Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Director and roles expected of the candidate] Mr. Keiji Kimura has been involved in corporate management for many years, and possesses abundant experience and insight regarding management. In addition, he has also served as a supervisor of departments related to overseas business. With additional experience as Outside Director at other companies, the Company expects him to use this high level of insight, experience, and auditing ability in corporate management for the supervision of the management of the Company, and we would like to request his continued election as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Keiji Kimura and the Company.</p> <p>The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.</p> <p>[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	—

(Notes)

1. Term of office of Mr. Keiji Kimura
His term of office will have reached 3 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Keiji Kimura is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Keiji Kimura is elected, the Company intends to enter into the same agreement to limit his liability for damages.

3. Mr. Keiji Kimura is now serving as Outside Director of the Company, he fulfills the criteria for independence set forth by the Company (see page 18), and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.
4. There is no business transaction relationship between Mitsubishi Estate Co., Ltd. and the Company. There are business transactions between Mitsubishi Estate Co., Ltd. and its group companies and group companies of the Company, but the proportion of the value of these transactions to the consolidated net sales of the Company in the most recent fiscal year was less than 0.008%, and it is not classed as a major business partner.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
10	 Tomoko Okiyama (April 9, 1954) [Outside Director Candidate] [Reelection] [Independent]	October 1975 Joined TOA CORPORATION April 1991 Life Care Development Office, Second Section of Development Dept., TOA CORPORATION April 1996 5th Sales Dept., Sales General Headquarters, TOA CORPORATION April 2007 General Manager of Welfare Project Dept., TOA CORPORATION April 2013 Executive Officer, Deputy Head of Building Construction General Headquarters and General Manager of Welfare Project Dept., TOA CORPORATION April 2015 Executive Officer, Deputy Head of Building Construction General Headquarters, General Manager of Welfare Project Dept. and Deputy General Manager of East Japan Architecture Branch Office, TOA CORPORATION July 2019 Executive Officer, Deputy Head of Building Construction General Headquarters and Deputy General Manager of East Japan Architecture Branch Office, TOA CORPORATION April 2020 Advisor, TOA CORPORATION June 2020 Outside Director of the Company (current position) March 2021 Retired from TOA CORPORATION [Significant concurrent positions] —	—
		[Reasons for nomination as a candidate for Outside Director roles expected of the candidate] The Company has confirmed that Ms. Tomoko Okiyama has been involved in sales for many years at a construction company, and possesses abundant business experience in sales. She has personal qualities suitable for Director, strong faith in compliance, and an excellent business decision-making ability. In addition, the Company expects her to use the experience of being involved in management as an early female executive officer among other listed companies, for the management of the Company as a female Director, and we would like to request her continued election as Outside Director.	
		[Special interest between the candidate and the Company] There are no special interests between Ms. Tomoko Okiyama and the Company.	
		The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is reelected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.	
		[Attendance at meetings of the Board of Directors (14th Fiscal Year)] 10/10 (attendance rate: 100%)	

(Notes)

1. Term of office of Ms. Tomoko Okiyama
Her term of office will have reached 1 year at the conclusion of this General Meeting of Shareholders.
2. Ms. Tomoko Okiyama is now serving as Outside Director of the Company, and the Company has entered into an agreement with her to limit her liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Ms. Tomoko Okiyama is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Ms. Tomoko Okiyama is now serving as Outside Director of the Company, she fulfills the criteria for independence set forth by the Company (see page 18), and the Company has designated her as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

Proposal 3: Election of one (1) Substitute Corporate Auditor

In case the number of Corporate Auditors falls short of the legally stipulated number, the Company proposes the election of one (1) Substitute Corporate Auditor. The Company needs to elect one (1) Substitute Corporate Auditor.

The Board of Corporate Auditors has previously given its approval to this Proposal.

The candidate is as follows:

Name	Past experience and positions	Number of shares of the Company held
 <p data-bbox="172 936 379 1093">Yoshiaki Senoo (May 5, 1949) [Outside Corporate Auditor Candidate] [Independent]</p>	<p data-bbox="395 495 1256 551">April 1974 Entered the Legal Training and Research Institute of Japan (the 28th graduating class)</p> <p data-bbox="395 555 1256 611">April 1976 Registered as a lawyer (Daini Tokyo Bar Association) Joined Seiichi Ishii Law Office</p> <p data-bbox="395 616 1256 649">April 1979 Founded Yoshiaki Senoo Law Office</p> <p data-bbox="395 654 1256 710">October 2004 Founded MOS (MATSUZAKI OKU SANO & SENOO) Joint Law Office (current position)</p> <p data-bbox="395 714 1256 770">June 2019 Outside Corporate Auditor, FUJISASH CO., LTD. (current position)</p> <p data-bbox="395 775 1256 824">[Significant concurrent positions] Outside Corporate Auditor, FUJISASH CO., LTD.</p>	<p data-bbox="1278 495 1431 551">—</p>
	<p data-bbox="395 831 1256 992">[Reasons for nomination as a candidate for Substitute Outside Corporate Auditor] Mr. Yoshiaki Senoo possesses abundant business experience and specialized knowledge as a lawyer, and as there are no special interests between Mr. Senoo and the Company, his independence has been ensured, and we would like to nominate him as candidate for Substitute Corporate Auditor as Outside Corporate Auditor.</p>	
	<p data-bbox="395 999 1256 1059">[Special interest between the candidate and the Company] There are no special interests between Mr. Yoshiaki Senoo and the Company.</p>	
	<p data-bbox="395 1066 1256 1227">The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is appointed as Corporate Auditor of the Company, such candidate will be included in the insured persons under this insurance agreement.</p>	

(Notes)

1. Mr. Yoshiaki Senoo is a member of the Independent Committee for Takeover Defensive Measures approved at the 11th General Meeting of Shareholders held on June 28, 2018.
2. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations.
3. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, he fulfills the criteria for independence set forth by the Company (see page 18), and the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.
4. Reason for concluding that Mr. Yoshiaki Senoo can appropriately perform his duties as a candidate for Substitute Outside Corporate Auditor
Mr. Yoshiaki Senoo has built a high track record in corporate law with professional viewpoints as a lawyer, and also has a high-level of management insight. Accordingly, the Company has determined that he can appropriately perform his duties as Outside Corporate Auditor.

As prescribed in Article 430-3, Paragraph 1 of the Companies Act, the Company shall enter into a directors and officers liability insurance contract with an insurance company. The insurance policy shall cover damages and legal costs arising from damage compensation suits born by the insured parties. The candidates shall be included as insured parties of the insurance policy.

Proposal 4: Election of Accounting Auditor

The term of office of our Accounting Auditor, Deloitte Touche Tohmatsu LLC, will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of a new Accounting Auditor is proposed.

This proposal is pursuant to the determination by the Board of Corporate Auditors.

In addition, the Board of Corporate Auditors decided to nominate Ernst & Young ShinNihon LLC as a candidate for Accounting Auditor because, by taking into consideration the length of years the current Accounting Auditor has served in its office, the Company can expect audits to be conducted from new perspectives by appointing Ernst & Young ShinNihon LLC. Furthermore, the Company can expect audits to be responded to business expansion of the Group in Japan and overseas and changes in the environment surrounding the Group. Therefore, it reached a conclusion that Ernst & Young ShinNihon LLC is qualified for the position.

Name, location of the principal office, and corporate history of the candidate for Accounting Auditor are as follows:

(As of March 31, 2021)

Name	Ernst & Young ShinNihon LLC		
Location of the principal office	1-1-2 Yurakucho, Chiyoda-ku, Tokyo		
Corporate history	April 2000	Showa Ota & Co. and Century Audit Corporation were merged to form Century Ota Showa & Co.	
	July 2001	Renamed to Shin Nihon & Co.	
	July 2008	Renamed to Ernst & Young ShinNihon LLC	
	July 2018	Renamed (Japanese name only)	
Corporate profile	Capital		¥1,060 million
	Members (persons)	Certified Public Accountants (CPAs)	3,001
		Partly-qualified Accountants	1,179
		Others	1,469
		Total	5,649
	Number of audit clients		3,770
	Offices	Japan: Tokyo, etc.	
Overseas: New York, etc.			40 in total

[Independence Criteria]

An individual will be deemed by the Company to lack independence as an independent director and corporate auditor if the individual constitutes any of the following:

- (1) An executive officer of the Company or a company in the group;
- (2) A non-executive director or accounting advisor of the Company or a company in the group (in case of Outside Corporate Auditor);
- (3) A person whose main business partner is the Company (which accounts for at least 2% of their consolidated net sales in the most recent fiscal year) or an executive officer thereof;
- (4) A person who is a major business partner of the Company (which accounts for at least 2% of our consolidated net sales in the most recent fiscal year) or an executive officer thereof;
- (5) A financial institution or other major creditor that is essential to a non-substitutable degree for the Company's financing or an executive officer thereof;
- (6) A certified public accountant or a member, partner or employee (excluding ancillary workers) of the audit firm who is the accounting auditor of the Company;
- (7) A major shareholder of the Company (a shareholder with a voting rights ownership of 10% or more) (if such major shareholder is a corporation, the executive officer thereof);
- (8) An executive officer of an organization with which the Company has a relationship through the mutual appointment of outside directors;
- (9) An executive officer of an organization receiving donations (amounting to an average of five (5) million yen or more per fiscal year in the last three years);
- (10) An attorney, certified public accountant, certified tax accountant or any other consultant receiving a large amount of monetary or other property benefits (amounting to an average of five (5) million yen or more per fiscal year in the last three years) apart from the executive compensation from the Company;
- (11) A person who belongs to a law firm, audit firm, tax accountant corporation, consulting firm or any other professional advisory firm (excluding ancillary workers) receiving a large amount of monetary or other property benefits (amounting to an average of ten (10) million yen or more per fiscal year in the last three years) apart from the executive compensation from the Company;
- (12) A person who satisfies either (1) or (2) above at any time in the last (10) ten years;
- (13) A person who satisfies any of (3) to (9) above at any time in the last (3) three years; or
- (14) A relative within the second degree kinship of any person falling under any of the above (1) to (13).

Proposal 5: Approval of the Share Exchange Agreement

As announced in the “Notice of Execution of Management Integration Agreement for Management Integration between Matsumotokiyoshi Holdings Co., Ltd. and cocokara fine Inc.” dated February 26, 2021 (hereinafter, the “Press Release on the Management Integration”), the Company and cocokara fine Inc. (hereinafter, “cocokara fine”) entered into a management integration agreement (hereinafter, the “Management Integration Agreement”) for their management integration (hereinafter, the “Management Integration”), and a share exchange agreement (hereinafter, the “Share Exchange Agreement”) for a share exchange (*kabushiki kokan*) wherein the Company will be the wholly-owning parent company in the share exchange and cocokara fine will be the wholly-owned subsidiary in the share exchange (hereinafter, the “Share Exchange”), as part of the series of transactions for the Management Integration.

This Proposal hereby requests approval of the Share Exchange Agreement.

The reason for implementing the Share Exchange, the terms of the Share Exchange Agreement and other matters relating to this Proposal are as follows:

1. Reason for implementing the Share Exchange

(1) Background and purpose of the Management Integration

With the group management philosophy of “1st for you,” the Company seeks ongoing growth and improvement of its corporate value through the creation of new added values and the provision of thoughtful services, while always keeping the customers’ perspective in mind. As of March 31, 2021, the Company was operating a total of 1,764 drugstores/dispensing pharmacies throughout Japan (343 of which are dispensing pharmacies). As a leading company in the drugstore industry, the Company is aiming to be an “indispensable corporate group in the health and beauty area,” and in the future, “Asia’s No.1 company in the health and beauty area.”

Meanwhile, cocokara fine coordinates the management of a total of 1,461 drugstores/dispensing pharmacies under its operation throughout Japan (419 of which are dispensing pharmacies as of March 31, 2021) and of its caregiving-related businesses, with the aim of realizing its management philosophy of “pursuing the health of mind and body of individuals, and contributing to the community.” cocokara fine is promoting the “creation of a healthcare network in the community” that provides integrated home healthcare and caregiving services in the community through the coordination of various professions involved in medical care and caregiving, taking it as its social mission, and is aiming to make the next leap forward as a true healthcare company.

After the execution of the Basic Agreement to proceed with discussions and consideration on the Management Integration as announced in the "Notice by Matsumotokiyoshi Holdings Co., Ltd. and cocokara fine Inc. Concerning Entry Into Memorandum of Understanding Regarding a Business Integration and Capital and Business Alliance Agreement for such Business Integration" dated January 31, 2020, as part of the Management Integration, the Company and cocokara fine advanced mutual cooperation through consultation between the parties based on the Capital and Business Alliance Agreement that had been executed prior to the implementation of the Management Integration. Our objective for this cooperation was

to become an efficient and competitive company as early as immediately after the Management Integration by utilizing the time up to the Management Integration to improve our respective corporate value through early achievement of synergies and to integrate our strategies and corporate cultures. To date, we have worked for early attainment of synergies through mutual supply of our products, in particular, the much-talked-about private brand (PB) products such as the “matsukiyo” brand products and “THE RETINOTIME,” an advanced functional cosmetics series, integrated merchandising of national brand (NB) products, including pharmaceuticals, and joint development of products.

The environment surrounding our society is facing drastic changes. The lifestyles of the public are diversifying due to the digitalization of our lives as a result of the expansion of e-commerce markets with the popularization of smartphones and the fusion of online and offline life led by leading global U.S. and Chinese companies. Moreover, Japan is facing changes in its social structure due to a rapidly aging population combined with a falling birthrate, and the concentration of the population in the three largest metropolitan areas. Moreover, since late January 2020, the spread of COVID-19 has accelerated the shift to online channels and led to changes in consumer trends. Meanwhile, we are also aware of the importance of being prepared for the reversion back to the globalization that is expected to occur after the immigration restrictions issued by the Japanese Government are lifted. With these changes in the environment, the retail industry is now required to realize, at a deeper level, the demand for services that meet the needs of every one of the diversified base of customers, prioritizing the security and safety of its customers and employees.

Under that macro-environment, the business climate in the drugstore industry continues to be harsh, with new stores opening by competitors across industries and business lines, entry into new areas aimed for commercial area expansion and expansion of scale through M&A, competition with different industries that are becoming homogenous, and the resulting narrowing of the commercial area of individual stores caused by all these factors. However, with the increase in Japanese social security expenditures, the drugstore industry is expected to play an important role in creating community-based integrated care systems, and is also required to address the revisions of medical service fees.

Seeing the time of such drastic changes as an opportunity for growth, the Company and cocokara fine will become an infrastructure company supporting society and customers' lives, with domestic sales of ¥1 trillion and 3,000 stores as a result of the Management Integration. Furthermore, we will revolutionize the purchase trends of consumers by establishing “One to One” marketing utilizing our customer bases. Our goal is to vigorously lead the domestic drugstore industry, gaining an overwhelming presence in the health and beauty area. Furthermore, we aim to promote the establishment of community-based integrated care systems as a social mission of drugstores and become “Asia’s No.1 company in the health and beauty area” in the future by promoting establishing business bases in Asia with rising health and beauty consciousness.

(2) Synergy effect of the Management Integration

The Company and cocokara fine have a common philosophy of placing the greatest value on promotion of our local customers' beauty, health and better lives, and share the common feature of operating numerous stores both in cities and suburbs. In addition, we can mutually leverage a variety of respective resources, infrastructures, know-how and other management resources thanks to our complementary store locations

and similar strategies of digitalization and global expansion.

After the implementation of the capital and business alliance, we established a synergy committee and carried out a review of the expected synergies. We have started to unify our merchandising and shelving planograms and have commenced to supply PB products. The Management Integration is expected to result in achievement of a combined revenue improvement on a scale of ¥30 billion in operating profit on a consolidated basis by the third year after the Management Integration. At present, we expect to realize combined synergies of approximately ¥20 billion in operating profit on a consolidated basis, out of the amount mentioned above, in the first year (October 2021 – September 2022) mainly from the synergy items as described below. We believe that such synergies from the Management Integration will boost our shareholder value.

(i) Joint development and joint purchasing of products

- We aim to expand sales by further increasing the appeal of our PB products through mutual supply and sale of the existing PB products that are popular among our customers as well as joint development of new PB products, thereby increasing sales and improving profitability.
- We aim to improve profitability by unifying our procurement of products, including pharmaceuticals, and thus reducing purchasing costs through economies of scale, and also by increasing rebates through reflection of both companies' rebate rates our rebate rates.

(ii) Customer bases and marketing

- Integration of our customer bases will enable sales promotion strategies that are compatible with digitalization. We will aim to increase sales by offering products to meet the needs of each customer and seamlessly connecting offline (physical stores) and online (EC) channels.

(iii) Others

- In terms of logistics, we anticipate improvements in logistics efficiency and a reduction of the logistics cost per store by virtue of complementary store operation areas and through an increase in our combined market shares by prefecture. In terms of systems, we expect that systems integration will produce not only a cost reduction effect, but also rationalization of store operation, enhancement of merchandising functions and improved effects of the sales promotion measures.
- In addition, we anticipate a cost reduction effect by jointly purchasing equipment and fixtures as well as by unifying our settlement methods.

(3) Method of Management Integration

In the Management Integration Agreement, the Company and cocokara fine have agreed that the Management Integration is to be effected substantially in the manner described below. For a description of the Management Integration method, please also see the reference charts set out herein below.

- (i) As of October 1, 2021, the Company and cocokara fine shall implement a share exchange (*kabushiki kokan*) wherein the Company will be the wholly-owning parent company in the share exchange and cocokara fine will be the wholly-owned subsidiary in the share exchange.
- (ii) As of October 1, 2021, subject to the effectuation of the Share Exchange, the Company shall

- establish Matsumotokiyoshi Group Co., Ltd. (hereinafter, “MKG”), a company whose principal purpose is to hold shares in, and to manage the operations of, Matsumotokiyoshi Co., Ltd. and other subsidiaries or the like, by way of an incorporation-type company split wherein the Company will be the split company (hereinafter, the “Incorporation-type Company Split”).
- (iii) As of October 1, 2021, subject to the effectuation of the Share Exchange, the Company shall implement an absorption-type company split wherein the Company will be the split company and MKCF Succeeding Company, a wholly-owned subsidiary of the Company established on February 18, 2021 (hereinafter, the “Synergy Generator”), will be the succeeding company for the purpose of causing MKCF Succeeding Company to succeed to the Company’s sales planning, operational support and other functions (hereinafter, the “Absorption-type Company Split (Matsumotokiyoshi Holdings)”).
 - (iv) As of October 1, 2021, subject to the effectuation of the Share Exchange, cocokara fine shall implement an absorption-type company split wherein cocokara fine will be the split company and the Company will be the succeeding company for the purpose of causing the Company to succeed to cocokara fine’s headquarters functions (hereinafter, the “Absorption-type Company Split (cocokara fine - Matsumotokiyoshi Holdings)”).
 - (v) As of October 1, 2021, subject to the effectuation of the Share Exchange, cocokara fine shall implement an absorption-type company split wherein cocokara fine will be the split company and the Synergy Generator will be the succeeding company for the purpose of causing the Synergy Generator to succeed to cocokara fine’s sales planning, operational support and other functions (hereinafter, the “Absorption-type Company Split (cocokara fine - Synergy Generator)”).
 - (vi) As of October 1, 2021, subject to the effectuation of the Share Exchange, cocokarafine Healthcare Inc., a wholly-owned subsidiary of cocokara fine (hereinafter, “cocokarafine Healthcare”), shall implement an absorption-type company split wherein cocokarafine Healthcare will be the split company and the Company will be the succeeding company for the purpose of causing the Company to succeed to cocokarafine Healthcare’s headquarters functions (hereinafter, the “Absorption-type Company Split (cocokarafine Healthcare - Matsumotokiyoshi Holdings)”).
 - (vii) As of October 1, 2021, subject to the effectuation of the Share Exchange, cocokarafine Healthcare shall implement an absorption-type company split wherein cocokarafine Healthcare will be the split company and the Synergy Generator will be the succeeding company for the purpose of causing the Synergy Generator to succeed to cocokarafine Healthcare’s sales planning, operational support and other functions (hereinafter, the “Absorption-type Company Split (cocokarafine Healthcare - Synergy Generator)”).

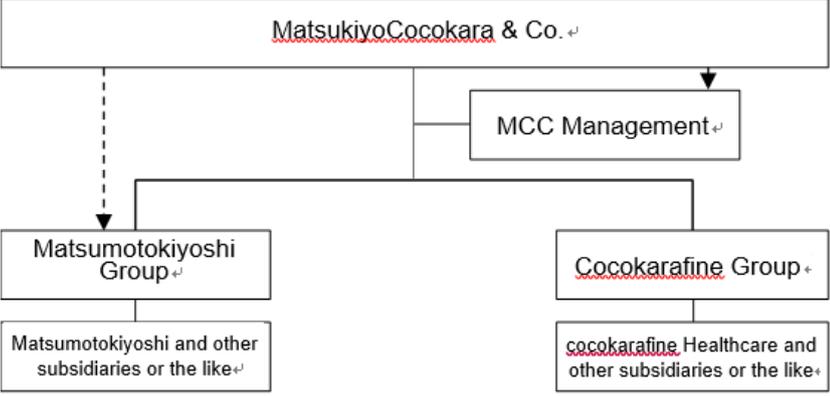
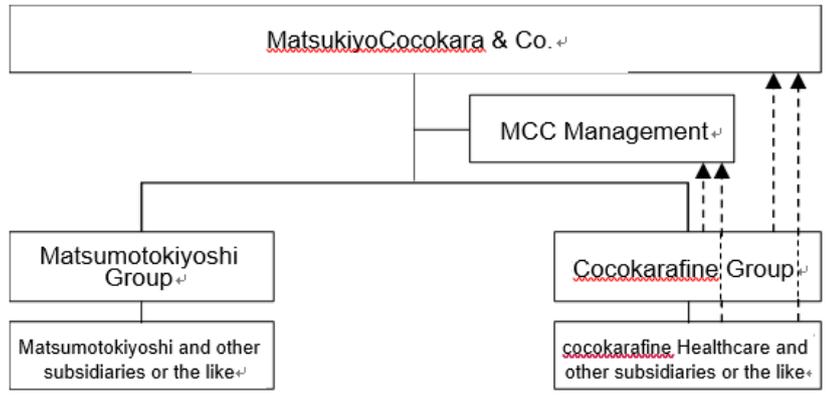
Upon the completion of the procedures set out in items (i) through (vii) above, MKG and cocokara fine will become subsidiaries of the Company.

Subject to the effectuation of the Share Exchange, the Company will change its trade name to

MatsukiyoCocokara & Co. Meanwhile, after the effectuation of the Share Exchange, cocokara fine will change its trade name to Cocokarafine Group Co., Ltd., and the Synergy Generator will change its trade name to MCC Management Co., Ltd.

* Reference charts

<p>Group chart after the Management Integration</p>	<pre> graph TD A[MatsukiyoCocokara & Co.] --- B[MCC Management] A --- C[Cocokarafine Group] C --- D[cocokarafine Healthcare and other subsidiaries or the like] A --- E[Matsumotokiyoshi Group] E --- F[Matsumotokiyoshi and other subsidiaries or the like] </pre>
<p>Current state</p>	<pre> graph TD A[Matsumotokiyoshi Holdings] --- B[Matsumotokiyoshi and other subsidiaries or the like] A --- C[MKCF Succeeding Company] C --- D[cocokara fine] C --- E[cocokarafine Healthcare and other subsidiaries or the like] </pre>
<p>Share Exchange Effective date October 1, 2021 (scheduled)</p>	<pre> graph TD A[MatsukiyoCocokara & Co. (*1)] --- B[MCC Management (*3)] A --- C[Cocokarafine Group (*2)] B --- D[Matsumotokiyoshi and other subsidiaries or the like] C --- E[cocokarafine Healthcare and other subsidiaries or the like] </pre> <p>Share exchange wherein Matsumotokiyoshi Holdings will be the wholly-owning parent company in the share exchange, and cocokara fine will be the wholly-owned subsidiary in the share exchange</p> <p>(*1) Subject to the effectuation of the Share Exchange, to be changed from “Matsumotokiyoshi Holdings Co., Ltd.”</p> <p>(*2) After the effectuation of the Share Exchange, to be changed from “cocokara fine Inc.”</p> <p>(*3) After the effectuation of the Share Exchange, to be changed from “MKCF Succeeding Company.”</p>

<p>Incorporation-type Company Split and Absorption-type Company Split (Matsumotokiyoshi Holdings)</p> <p><u>Effective date</u> October 1, 2021 (scheduled)</p>	 <p>Subject to the effectuation of the Share Exchange, Matsumotokiyoshi Holdings will establish MKG, whose principal purpose is to hold shares in, and to manage the operations of, Matsumotokiyoshi Co., Ltd. and other subsidiaries or the like by way of an incorporation-type company split, and cause its sales planning, operational support and other functions to be succeeded by the Synergy Generator by way of an absorption-type company split.</p>
<p>Absorption-type Company Split (cocokara fine - Matsumotokiyoshi Holdings), Absorption-type Company Split (cocokara fine - Synergy Generator), Absorption-type Company Split (cocokarafine Healthcare - Matsumotokiyoshi Holdings) and Absorption-type Company Split (cocokarafine Healthcare - Synergy Generator)</p> <p><u>Effective date</u> October 1, 2021 (scheduled)</p>	 <p>Subject to the effectuation of the Share Exchange, by way of absorption-type company splits, cocokara fine and cocokarafine Healthcare will cause their headquarters functions to be succeeded to Matsumotokiyoshi Holdings, and will cause their sales planning, operational support and other functions to be succeeded to the Synergy Generator.</p>

2. Outline of the terms of the Share Exchange Agreement

The terms of the Share Exchange Agreement are as follows:

(The following is a copy of the Share Exchange Agreement)

Share Exchange Agreement

cocokara fine Inc. (hereinafter, “**Company C**”) and Matsumotokiyoshi Holdings Co., Ltd. (hereinafter, “**Company M**”) hereby enter into a share exchange agreement (hereinafter, this “**Agreement**”) as of February 26, 2021 (hereinafter, the “**Date of this Agreement**”), as follows:

Article 1 (Share Exchange)

Pursuant to the provisions of this Agreement, Company C and Company M shall conduct a share exchange (*kabushiki kokan*) wherein Company M will be Company C’s wholly-owning parent company in the share exchange, and Company C will be Company M’s wholly-owned subsidiary in the share exchange (hereinafter, the “**Share Exchange**”). Company M shall acquire, by way of the Share Exchange, all of the issued shares in Company C (excluding the shares in Company C held by Company M; hereinafter the same).

Article 2 (Trade Names and Addresses of Wholly-owning Parent Company in the Share Exchange and Wholly-owned Subsidiary in the Share Exchange)

Company C’s and Company M’s respective trade names and addresses are as follows:

- (1) Company M (wholly-owning parent company in the share exchange)
Trade name: Matsumotokiyoshi Holdings Co., Ltd. (scheduled to be changed to MatsukiyoCocokara & Co. as of October 1, 2021)
Address: 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba
- (2) Company C (wholly-owned subsidiary in the share exchange)
Trade name: cocokara fine Inc.
Address: 17-6, Shin Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa

Article 3 (Shares Delivered upon the Share Exchange and Allotment thereof)

1. Upon the Share Exchange, Company M shall deliver to each shareholder of Company C (i.e., the shareholders after the cancellation of Company C’s treasury shares under Article 8, excluding Company M; hereinafter the same in this Article), as of the time immediately prior to the acquisition of all of the issued shares in Company C by Company M by way of the Share Exchange (hereinafter, the “**Base Time**”), the number of common shares of Company M (hereinafter, the “**Company M Shares**”) obtained by multiplying the total number of common shares of Company C (hereinafter, the “**Company C Shares**”) held by the shareholder by 1.70 (such ratio shall be hereinafter referred to as the “**Share Exchange Ratio**”) in exchange for his/her/its Company C Shares.
2. Upon the Share Exchange, Company M shall allot 1.70 Company M Shares for each Company C Share held by each Company C shareholder.
3. If there is a fraction of less than one share in the number of Company M Shares that Company M is required to allot to each shareholder of Company C pursuant to the provisions of the preceding two Paragraphs, Company M shall treat the fractional shares in accordance with the provisions of Article 234

of the Companies Act and other related laws and regulations.

Article 4 (Amount of Capital and Reserves of Company M)

The amounts of the stated capital and reserves of Company M to be increased upon the Share Exchange shall be as follows:

- (1) Amount of stated capital to be increased: ¥ 0
- (2) Amount of capital reserve to be increased: Amount separately specified by Company M in accordance with the provisions of Article 39 of the Regulation on Corporate Accounting
- (3) Amount of retained earnings reserve to be increased: ¥ 0

Article 5 (Effective Date)

The date on which the Share Exchange becomes effective (hereinafter, the “**Effective Date**”) shall be October 1, 2021; provided, however, that Company C and Company M may change the date by agreement through consultation if a change is necessary for the progress of the Share Exchange proceedings or for any other reason.

Article 6 (Approval of the Shareholders’ Meeting)

1. Company C shall seek approval of this Agreement at its Annual General Meeting of Shareholders to be held on June 29, 2021 (hereinafter, the “**Company C’s AGM**”).
2. Company M shall seek approval of this Agreement at its Annual General Meeting of Shareholders to be held on June 29, 2021 (hereinafter, the “**Company M’s AGM**”).
3. Company C and Company M may, by agreement through consultation, change the date of Company C’s AGM and Company M’s AGM, or hold an extraordinary shareholders’ meeting to obtain shareholders’ approval of this Agreement, if necessary for the progress of the Share Exchange proceedings or for any other reason.

Article 7 (Business Operations)

1. During the period from the Date of this Agreement though the Effective Date, each of Company C and Company M shall, within the scope of its normal business operations, perform its business and manage and operate its assets, and cause its subsidiaries to perform their respective businesses and manage and operate their respective assets, in each case with the due care of a good and prudent manager for the purpose of improving its or their respective corporate value.
2. Except as otherwise provided in this Agreement, during the period from the Date of this Agreement though the Effective Date, each of Company C and Company M shall consult with the other party in advance if it is to perform, or cause any of its subsidiaries to perform, any act that may have a material effect on the consummation of the Share Exchange or the Share Exchange Ratio, and shall, in making such consultation, provide the other party with reasonable explanatory materials regarding the relevant

act at a reasonable time.

Article 8 (Cancellation of Treasury Shares)

Company C shall, by resolution of a board of directors meeting to be held no later than the day before the Effective Date, cancel all of the treasury shares it holds as of the Base Time (including the treasury shares that Company C acquires in response to any dissenting shareholders' share exercise of appraisal rights made upon the Share Exchange as set forth in Article 785, Paragraph 1 of the Companies Act).

Article 9 (Change of Terms of, or Cancellation of the Share Exchange)

Upon the occurrence or discovery of any event that materially impairs the consummation of the Share Exchange or if it otherwise becomes difficult to achieve the purpose of this Agreement during the period from the Date of this Agreement through the Effective Date, Company C and Company M may, by agreement through consultation, change the conditions of the Share Exchange or any other terms of this Agreement, or cancel the Share Exchange.

Article 10 (Validity of this Agreement)

This Agreement shall lose its effect in any of the following cases: (i) failure to obtain approval of this Agreement at Company C's AGM; (ii) failure to obtain approval of this Agreement at Company M's AGM; (iii) failure to obtain any of the approvals, permits, consents, etc. of the relevant authorities needed for the consummation of the Share Exchange as provided under applicable laws and regulations; or (iv) cancellation of the Share Exchange pursuant to the preceding Article.

Article 11 (Consultation)

Company C and Company M shall settle any matter not provided in this Agreement, or any doubt as to the substance of this Agreement, through good-faith consultation.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate and the parties hereto shall retain one original each after affixing their respective signatures or names and seal impressions hereunto.

February 26, 2021

Company C: cocokara fine Inc.
17-6, Shin Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa
Atsushi Tsukamoto, President and Representative Director (seal)

Company M: Matsumotokiyoshi Holdings Co., Ltd.
9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba
Kiyoo Matsumoto, President and Representative Director (seal)

3. Matters concerning appropriateness of the decisions concerning the matters listed in Item 2 and 3 of Article 768, Paragraph 1 of the Companies Act

(1) Details of allotment pertaining to the Share Exchange

	The Company (wholly-owning parent company in the share exchange)	cocokara fine (wholly-owned subsidiary in the share exchange)
Share Exchange Ratio for the Share Exchange	1	1.70
Number of shares to be delivered in the Share Exchange	40,795,416 common shares of the Company (scheduled)	

(*1) Allocation ratio of shares

For each common share of cocokara fine, 1.70 common shares of the Company will be allotted and delivered. However, no allotment or delivery will be made with regard to the common shares of cocokara fine held by the Company (6,006,908 shares as of December 31, 2020).

(*2) Number of shares to be delivered in the Share Exchange

40,795,416 common shares of the Company (scheduled)

The number of common shares has been calculated based on the total number of issued common shares (31,412,085 shares) and the number of treasury shares (1,407,873 shares) of cocokara fine as of December 31, 2020.

Upon the Share Exchange, the Company will allot and deliver its common shares to the shareholders of cocokara fine as of the time immediately prior to the acquisition of all of the issued shares in cocokara fine by the Company (hereinafter, "Base Time"). The number of common shares of the Company to be allotted will be calculated based on the share exchange ratio for the Share Exchange described in the table above (hereinafter, "Share Exchange Ratio"). The common shares of the Company will be allotted and delivered through the appropriation of treasury shares held by the Company as well as through the issuance of new shares.

cocokara fine plans to cancel all of its treasury shares held as of the Base Time (including treasury shares to be acquired in response to the demands of the dissenting shareholders for share purchase, set forth in Article 785, Paragraph 1 of the Companies Act, exercised at the time of the Share Exchange) by a resolution at the board of directors meeting held no later than the day prior to the effective date of the Share Exchange, and the number of common shares to be delivered by the Company may be revised in the future depending on the number of treasury shares, etc. to be held by cocokara fine up to the Base Time.

(*3) Treatment of fractional shares of less than one share unit

As a result of the Share Exchange, some shareholders are expected to hold fractional shares of less than one unit of the Company, but such fractional shares may not be sold in the financial instruments exchange market. Shareholders who will hold fractional shares of less than one unit of the Company are entitled to exercise the following rights on and after the effective date of the Share Exchange:

- (i) Right to request to purchase the fractional shares of less than one unit (sale of fractional shares)

In accordance with Article 192, Paragraph 1 of the Companies Act, shareholders may request that the Company purchase the fractional shares held by such shareholders.

(ii) Right to purchase additional fractional shares (additional purchase to form one unit)

Pursuant to the provisions of Article 194, Paragraph 1 of the Companies Act and the Articles of Incorporation, except when the Company does not hold the number of treasury shares for which additional purchase is requested, shareholders may purchase from the Company such number of shares that, together with the number of fractional shares held by such shareholders, will constitute one share unit (100 shares).

(*4) Treatment of fractions of less than one share

Upon the execution of the Share Exchange, pursuant to the provisions of Article 234 of the Companies Act and other related laws and regulations, the Company will pay the amount corresponding to the fraction of less than one share to the current shareholders of cocokara fine who will receive such allotments of a fraction of less than one share of the Company's common stock in association with the Share Exchange.

(2) Grounds for details of allotment pertaining to the Share Exchange

(i) Grounds for details of allotment

In calculating the Share Exchange Ratio, in order to ensure fairness and appropriateness of the Share Exchange Ratio, the Company has appointed Daiwa Securities Co., Ltd. (hereinafter, "Daiwa Securities"), and cocokara fine has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (hereinafter, "Mitsubishi UFJ Morgan Stanley Securities"), as the financial advisor and third-party calculation agent independent of both companies.

Based on the calculation results of the share exchange ratio and advice submitted by its third-party calculation agent, Daiwa Securities, stated below in "A) Obtaining calculation documents from independent third-party calculation agents" of "(iii) Measures for securing fairness," the legal advice from Anderson Mori & Tomotsune stated below in "B) Advice from independent law firms" of "(iii) Measures for securing fairness" and results of various due diligence conducted by itself and its advisors against cocokara fine, and also in consideration of such matters, including the financial conditions, business performance trends and stock price fluctuations of both companies, the Company has, after much careful deliberation and discussion, determined that the Share Exchange Ratio stated above in "(1) Details of allotment pertaining to the Share Exchange" is appropriate and contributes to the benefits of the shareholders of the Company.

Based on the calculation results of the share exchange ratio and advice submitted by its third-party calculation agent, Mitsubishi UFJ Morgan Stanley Securities, stated below in "A) Obtaining calculation documents from independent third-party calculation agents" of "(iii) Measures for securing fairness," the legal advice from Nomura & Partners stated below in "B) Advice from independent law firms" of "(iii) Measures for securing fairness" and results of various due diligence conducted by itself and its advisor against the Company, and also in consideration of

such matters, including the financial conditions, business performance trends and stock price fluctuations of both companies, cocokara fine has, after much careful deliberation and discussion, determined that the Share Exchange Ratio stated above in “(1) Details of allotment pertaining to the Share Exchange” is appropriate and contributes to the benefits of the shareholders of cocokara fine.

As such, by reference to the calculation/analysis results from their third-party calculation agents and advice from their legal advisors, and based on the results of the due diligence conducted against the other party, in comprehensive consideration of such factors, including financial conditions, future prospects and stock price fluctuations, the Company and cocokara fine have, after a series of careful negotiations and deliberations, determined that the Share Exchange Ratio of 1.70 stated above in “(1) Details of allotment pertaining to the Share Exchange” is appropriate and contributes to the benefit of the shareholders of both companies. Therefore, after passing a resolution on the executions of the Management Integration Agreement and the Share Exchange Agreement at their respective board of directors’ meetings held on February 26, 2021, the Company and cocokara fine entered into the Management Integration Agreement and the Share Exchange Agreement.

(ii) Matters relating to calculation

A) Name of calculation agents and relationship with both companies

Neither Daiwa Securities nor Mitsubishi UFJ Morgan Stanley Securities is an affiliate of the Company or cocokara fine, and neither of them has a material interest worth stating with respect to the Share Exchange.

B) Outline of calculation

Daiwa Securities has made calculations using: (a) the market stock price method on the grounds that the shares of both the Company and cocokara fine are listed on the First Section of Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”), and the market stock price is available; (b) the comparable peer company multiple method on the grounds that there exist multiple comparable peer companies listed with respect to both companies, and that the stock price is available for analogy by comparing the peer companies; and (c) the DCF (Discounted Cash Flow) method in order to reflect the status of future business activities to the assessment.

• The calculation results of each method are as follows. For the avoidance of doubt, the calculation range of the share exchange ratio below describes the calculation range of the number of common shares of the Company allotted per common share of cocokara fine.

Calculation Method	Calculation Range of Share Exchange Ratio
Market Stock Price Method	1.67 to 1.72
Comparable Peer Company Multiple Method	1.54 to 1.92
DCF Method	1.63 to 2.01

With respect to the market stock price method, the average of the closing price on the base date

and the closing price of the share price for the periods of one (1) month prior to the base date, three (3) months prior to the base date and six (6) months prior to the base date have been adopted, with February 25, 2021 as the calculation base date.

In calculating the share exchange ratio, Daiwa Securities has, in principle, used the materials and information provided by the Company and cocokara fine, and information generally made available to the public, and has analyzed and considered all the materials, information or the like on the assumption that the same are correct and complete, and has not verified, nor does it assume any liability to verify, the accuracy and completeness of such materials, information or the like on its own accord. In addition, Daiwa Securities has not assessed, appraised or estimated on its own accord the assets or liabilities (including contingent liabilities) of either company or their affiliates, and has not requested such an assessment, appraisal or estimation from a third-party agent. Daiwa Securities understands that the business plans, financial forecasts and other information on future matters provided by the Company and cocokara fine were reasonably prepared based on the best forecasts and determinations of the managers of both companies then available. Daiwa Securities has relied on the information of the business plans of both companies without verifying the accuracy, appropriateness and feasibility thereof on its own accord. The share exchange ratio has been calculated by Daiwa Securities based on the financial, economic, market and other status as of February 25, 2021.

As stated below in “A) Obtaining calculation documents from independent third-party calculation agents” of “(iii) Measures for securing fairness,” on February 25, 2021, the Company received a fairness opinion from Daiwa Securities to the effect that the agreed Share Exchange Ratio is fair to the shareholders of the Company from a financial viewpoint based on the above preconditions and other certain preconditions.

Mitsubishi UFJ Morgan Stanley Securities has adopted and made calculations using: (a) the market stock price analysis on the grounds that the shares of both the Company and cocokara fine are listed on the financial instruments exchange, and the market stock price is available; (b) the comparable peer company multiple analysis on the grounds that there exist multiple comparable peer companies listed with respect to both companies, and that the stock price is available for analogy by comparing the peer companies; and (c) the discounted cash flow analysis (hereinafter, “DCF Analysis”) in order to reflect the status of future business activities to the assessment.

With respect to the market stock price analysis, the closing price of the share price on the base dates on the Tokyo Stock Exchange and the simple average of the closing price on the transaction date for the periods of one (1) month prior to the respective base dates, three (3) months prior to the respective base dates and six (6) months prior to the respective base dates on the Tokyo Stock Exchange have been adopted, with April 25, 2019, which is the business day preceding the date on which the commencement of negotiations of capital and business alliance was announced, as the first calculation base date (hereinafter, “First Base Date”), January 30, 2020, which is the business day preceding the date on which the execution of the basic agreement towards the Management Integration was announced, as the second calculation base date (hereinafter, “Second Base Date”),

and February 25, 2021 as the third calculation base date (hereinafter, “Third Base Date”).

The calculation of prices using the DCF Analysis is based on various factors such as the profits in the financial prospects and investment plans provided by the managers of the Company and cocokara fine, all of which have been acknowledged by both companies to be used by Mitsubishi UFJ Morgan Stanley Securities for the purpose of calculation, results of the due diligence conducted against the Company and cocokara fine and other information generally made available to the public, and separately adds synergistic effect to the Management Integration. For the avoidance of doubt, the financial prospects of cocokara fine includes those of business years wherein significant increases or decreases in profits are expected. To be specific, for the period ending March 2022, a significant increase in profits compared to the previous business year is expected due to the business recovery from the decline in profits affected by the spread of COVID-19.

The calculation results of the number of common shares of the Company allotted per common share of cocokara fine using each method are as follows:

Adopted Method	Calculation Results of Share Exchange Ratio
Market Stock Price Analysis (First Base Date)	1.21 to 1.41
Market Stock Price Analysis (Second Base Date)	1.49 to 1.52
Market Stock Price Analysis (Third Base Date)	1.67 to 1.72
Comparable Peer Company Multiple Analysis	1.26 to 1.99
DCF Analysis	1.31 to 2.02

On February 25, 2021, Mitsubishi UFJ Morgan Stanley Securities submitted to the board of directors of cocokara fine a calculation report on the exchange ratio pertaining to the Share Exchange. In addition, upon the request from the board of directors of cocokara fine, Mitsubishi UFJ Morgan Stanley Securities has submitted to the board of directors of cocokara fine a written opinion to the effect that the Share Exchange Ratio is appropriate from the financial viewpoint of the shareholders of the common shares of cocokara fine (excluding the Company) as of the time of the share exchange (hereinafter, “Fairness Opinion”).

The opinion of Mitsubishi UFJ Morgan Stanley Securities in the Fairness Opinion is based on, and subject to, the various material conditions and restrictions described in the Fairness Opinion and other various conditions stated below. In addition, Mitsubishi UFJ Morgan Stanley Securities does not make any recommendations to cocokara fine or its shareholders or its board of directors to the effect that a certain share exchange ratio is the only appropriate one.

In providing its opinion and representation in the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities relied on information that had already been made available to the public or information provided by cocokara fine or the Company with the assumption that such information is

accurate and complete, and has not verified the accuracy and completeness thereof on its own accord.

In addition, in preparing the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities has considered the strategy, finance and business operation-related merits expected from the Management Integration with the assumption that the financial prospects, including the information on such strategy, finance and business operation-related merits, reflects the best prospects and decisions currently available with respect to the future financial conditions of cocokara fine and the Company and has been reasonably prepared by the managers of cocokara fine and the Company.

Further, Mitsubishi UFJ Morgan Stanley Securities expresses its opinion with the assumption that the Management Integration will be implemented without any waiver, amendment or delay with respect to the terms and conditions set forth in the Management Integration Agreement. Mitsubishi UFJ Morgan Stanley Securities understands that the permits and approvals, consents or the like of the government agencies, supervisory agencies or the like required for the Management Integration are all obtainable, and that no delays, restrictions or conditions that may have material adverse effect on the merits expected from the Management Integration will be added to such permits and approvals, consents or the like.

Mitsubishi UFJ Morgan Stanley Securities is not an advisor with respect to legal affairs, accounting, tax affairs, business regulations and corporate pension. Mitsubishi UFJ Morgan Stanley Securities serves as the financial adviser, and with respect to issues on legal affairs, accounting, tax affairs, business regulations and corporate pension, rather than verifying the same on its own accord, it relies on the decisions made by cocokara fine or the Company and their legal advisers, accounting advisers and tax advisers.

Mitsubishi UFJ Morgan Stanley Securities does not express any opinion as to the reasonableness of the amount or nature of the consideration paid to the directors, officers or employees of cocokara fine (regardless of title or class) with respect to the consideration that the owners of the shares of cocokara fine will receive in the Management Integration.

Mitsubishi UFJ Morgan Stanley Securities has not evaluated or assessed on its own accord, and has not received any evaluations and/or assessments of, the assets and liabilities of cocokara fine and the Company.

The opinion of Mitsubishi UFJ Morgan Stanley Securities is based on the economic conditions, financial conditions, market conditions and other conditions as of February 25, 2021 in the Fairness Opinion and the information it has obtained as of February 25, 2021. Although there is a possibility that an event occurring on or after February 25, 2021 may affect the basis on which the opinion in the Fairness Opinion has been prepared, Mitsubishi UFJ Morgan Stanley Securities is not obligated to update, revise or reconfirm its opinion in the Fairness Opinion. Mitsubishi UFJ Morgan Stanley has provided services as the financial adviser of cocokara fine with respect to the Management Integration, and is scheduled to receive fees as consideration for such services. The receipt of the considerable portion of the fees is subject to the Management Integration becoming effective.

During the two (2)-year period retroactive to the date of the Fairness Opinion, Mitsubishi UFJ

Morgan Stanley Securities or its affiliates have provided financial adviser services and financial services to cocokara fine, and Mitsubishi UFJ Morgan Stanley Securities or its affiliates have received fees as consideration for such services. In addition, it is possible for Mitsubishi UFJ Morgan Stanley Securities and its affiliates to provide such services to cocokara fine in the future and receive fees as consideration for such services in the future.

Mitsubishi UFJ Morgan Stanley Securities (together with its affiliates, hereinafter collectively referred, "Mitsubishi UFJ Morgan Stanley Securities Group") provides global financial services, including banking services (including loan services to cocokara fine and the Company), securities services, trust services, investment management services and other financial services (hereinafter collectively referred, "Financial Services"). Securities services are not limited to the provision of investment banking services, finance and financial advisory services, but also include underwriting of securities, sale and purchase, brokerage services, foreign exchange, commodities and derivative transactions. In the course of general underwriting of securities, sales and purchases, brokerage services and finance services, Mitsubishi UFJ Morgan Stanley Securities Group may take long or short positions with respect to bonds, shares or loans of cocokara fine, the Company or companies related to the Management Integration, currencies or commodities related to the Management Integration or related derivative instruments, or otherwise provide the Financial Services of Mitsubishi UFJ Morgan Stanley Securities Group to cocokara fine, the Company or companies related to the Management Integration, and engage in sale and purchase or other transactions for its own account or its customer's account. Mitsubishi UFJ Morgan Stanley Securities Group and its directors and officers may invest their own money in, or manage funds that invest their own money in, the bonds, shares or loans of cocokara fine, the Company or companies related to the Management Integration, currencies or commodities related to the Management Integration or related derivative instruments. In addition, Mitsubishi UFJ Morgan Stanley Securities may provide general brokerage services to cocokara fine, the Company or companies related to the Management Integration.

(iii) Measures for securing fairness

The Company and cocokara fine have taken the following measures in order to secure the fairness of the Share Exchange Ratio and of the Share Exchange.

A) Obtaining calculation documents from independent third-party calculation agents

The Company obtained, for the benefit of its shareholders, calculation documents concerning the share exchange ratio on February 25, 2021 from Daiwa Securities, a third-party calculation agent independent of the Company and cocokara fine. For the outline of the calculation documents, please refer to "(ii) Matters relating to calculation" of "(2) Grounds for details of allotment pertaining to the Share Exchange" above.

For reference information, on February 25, 2021, the Company received from Daiwa Securities the fairness opinion to the effect that the Share Exchange Ratio is fair to the shareholders of the Company from a financial viewpoint based on the preconditions stated in "(ii) Matters relating to

calculation” of “(2) Grounds for details of allotment pertaining to the Share Exchange” above and other certain preconditions.

For the material preconditions, etc. concerning the fairness opinion of Daiwa Securities, please refer to the Exhibit to the Press Release on the Management Integration.

Further, cocokara fine obtained, for the benefit of its shareholders, the calculation documents concerning the share exchange ratio on February 25, 2021 from Mitsubishi UFJ Morgan Stanley Securities, a third-party calculation agent independent of the Company and cocokara fine. For the outline of calculation documents, please refer to “(ii) Matters relating to calculation” of “(2) Grounds for details of allotment pertaining to the Share Exchange” above.

For reference information, on February 26, 2021, cocokara fine received from Mitsubishi UFJ Morgan Stanley Securities the fairness opinion to the effect that the Share Exchange Ratio is fair to the shareholders of cocokara fine from a financial viewpoint based on the preconditions stated in “(ii) Matters relating to calculation” of “(2) Grounds for details of allotment pertaining to the Share Exchange” above and other certain preconditions.

B) Advice from independent law firms

The Company has obtained legal advice from Anderson Mori & Tomotsune as its legal advisor regarding the Share Exchange with respect to the various procedures of the Share Exchange and the method/process of the decision-making of the board of directors.

Further, cocokara fine has obtained legal advice from Nomura & Partners as its legal advisor regarding the Share Exchange with respect to the various procedures of the Share Exchange and the method/process of the decision-making of the board of directors.

For the avoidance of doubt, Anderson Mori & Tomotsune and Nomura & Partners are both independent of the Company and cocokara fine, and neither of them is a material interested party of either company.

(iv) Measures for avoiding conflict of interest

No special measures, besides those in “(iii) Measures for securing fairness” above, have been taken on the grounds that there is no conflict of interest between the companies in the decision-making in the board of directors concerning the Share Exchange, including the fact that there is no member of the board of directors of the Company and cocokara fine wherein the resolution to implement the Share Exchange has been passed who concurrently serves as an officer or employee of the counterparty of the Share Exchange. For reference information, the proposals for the execution of the Management Integration Agreements and other agreements submitted to the meetings of the board of directors of the Company and cocokara fine have been approved and passed unanimously, and all company auditors or all audit and supervisory committee members have stated their opinion that they have no objection to the implementation of the Management Integration.

- (3) Matters concerning the appropriateness of the amounts of stated capital and reserves of the Company to be increased upon the Share Exchange

The amounts of stated capital and reserves of the Company to be increased upon the Share Exchange are as stated below. The Company believes that these amounts are appropriate as they have been determined within the scope of laws and regulations after comprehensive consideration and examination of the Company's capital policy following the Share Exchange and other circumstances.

- | | | |
|-------|--|---|
| (i) | The amount of stated capital to be increased: | ¥0 |
| (ii) | The amount of capital reserve to be increased: | Amount separately specified by the Company pursuant to the provisions of Article 39 of the Regulation on Corporate Accounting |
| (iii) | The amount of retained earnings reserve to be increased: | ¥0 |

4. Matters concerning cocokara fine

- (1) The contents of cocokara fine's financial statements, etc. for the most recent business year (from April 1, 2020 to March 31, 2021) are posted on the Company's website on the Internet (<https://www.matsumotokiyoshi-hd.co.jp/investors/meeting.html>) pursuant to the provisions of laws and regulations and the Company's articles of incorporation.

- (2) Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year

- (i) As of April 28, 2021, cocokara fine entered into an absorption-type company split agreement with the Company for an Absorption-type Company Split (cocokara fine - Matsumotokiyoshi Holdings) (hereinafter, the "Absorption-type Company Split Agreement (cocokara fine - Matsumotokiyoshi Holdings)").

- (i) As of April 28, 2021, cocokara fine entered into an absorption-type company split agreement with the Synergy Generator for an Absorption-type Company Split (cocokara fine - Synergy Generator).

- (ii) As of April 28, 2021, cocokarafine Healthcare entered into an absorption-type company split agreement with the Company for an Absorption-type Company Split (cocokarafine Healthcare - Matsumotokiyoshi Holdings) (hereinafter, the "Absorption-type Company Split Agreement (cocokarafine Healthcare - Matsumotokiyoshi Holdings)").

- (iii) As of April 28, 2021, cocokarafine Healthcare entered into an absorption-type company split agreement with the Synergy Generator for an Absorption-type Company Split (cocokarafine Healthcare - Synergy Generator).

5. Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year of the

Company (from April 1, 2020 to March 31, 2021)

- (1) As of April 28, 2021, the Company formulated an incorporation-type company split plan for an Incorporation-type Company Split (hereinafter, the “Incorporation-type Company Split Plan”). For details, please see Proposal 6 “Approval of the Incorporation-type Company Split.”
- (2) As of April 28, 2021, the Company entered into an absorption-type company split agreement with the Synergy Generator for an Absorption-type Company Split (Matsumotokiyoshi Holdings) (hereinafter, the Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings)). For details, please see Proposal 7 “Approval of the Absorption-type Company Split Agreement.”
- (3) As of April 28, 2021, the Company entered into an Absorption-type Company Split Agreement with cocokara fine (cocokara fine - Matsumotokiyoshi Holdings) for an Absorption-type Company Split (cocokara fine - Matsumotokiyoshi Holdings).
- (4) As of April 28, 2021, the Company entered into an Absorption-type Company Split Agreement with cocokarafine Healthcare (cocokarafine Healthcare - Matsumotokiyoshi Holdings) for an Absorption-type Company Split (cocokarafine Healthcare - Matsumotokiyoshi Holdings).

Proposal 6: Approval of the Incorporation-type Company Split

As announced in the “Notice of Execution of Absorption-type Company Split Agreement, etc. for Management Integration between Matsumotokiyoshi Holdings Co., Ltd. and cocokara fine Inc.” dated April 28, 2021 (the “Press Release on Absorption-type Company Split, etc.”), based on a resolution of the Board of Directors meeting held on April 28, 2021, and subject to the Share Exchange (effective date: October 1, 2021), the Company has prepared an Incorporation-type Company Split Plan concerning the Incorporation-type Company Split wherein the Company will be the split company and by which MKG, a company whose principal purpose is to hold shares in, and manage the operations of, Matsumotokiyoshi Co., Ltd. and other subsidiaries or the like, will be established.

This Proposal hereby proposes the approval of the Incorporation-type Company Split Plan.

The reason for implementing the Incorporation-type Company Split, the content of the Incorporation-type Company Split Plan and other matters concerning this Proposal are as follows.

1. Reason for implementing the Incorporation-type Company Split

The Incorporation-type Company Split will be implemented as part of a series of transactions under the Management Integration. For details, please refer to “1. Reason for implementing the Share Exchange” of Proposal 5 “Approval of the Share Exchange Agreement.”

2. Outline of content of the Incorporation-type Company Split Plan

The content of the Incorporation-type Company Split Plan is as follows.

(The following is a copy of the Incorporation-type Company Split Plan)

Incorporation-type Company Split Plan

Matsumotokiyoshi Holdings Co., Ltd. (hereinafter, “**Company M**”) will newly establish Matsumotokiyoshi Group Co., Ltd. (hereinafter, the “**Incorporated Company**”), and prepare an Incorporation-type Company Split Plan (hereinafter, the “**Plan**”) as follows in relation to an incorporation-type company split, which provides the rights and obligations pertaining to the holding of shares and management and operations of subsidiaries or the like (hereinafter, the “**Incorporation-type Company Split**”).

Article 1 (Incorporation-type Company Split)

Company M will transfer the rights and obligations (hereinafter, the “**Succeeded Rights and Obligations**”) set forth in the “Details of Rights and Obligations to be Succeeded” of Exhibit 1 to the Incorporated Company.

Article 2 (Matters to be Included in the Incorporated Company’s Articles of Incorporation)

The purpose, trade name, address of the headquarters, total number of authorized shares of the Incorporated Company and any other matters specified by the Articles of Incorporation shall be as stated in the “Articles of Incorporation” of Exhibit 2.

Article 3 (Names of Officers at Incorporation of the Incorporated Company)

1. The Directors at incorporation of the Incorporated Company shall be as follows:

Namio Matsumoto

Kiyoo Matsumoto

Takashi Matsumoto

2. The Corporate Auditor at incorporation of the Incorporated Company shall be as follows:

Hisao Honta

Article 4 (Matters Regarding Rights and Obligations to be Succeeded)

1. As a result of the Incorporation-type Company Split, the Incorporated Company will succeed to the Succeeded Rights and Obligations from Company M on the Date of Split (as defined in Article 7).
2. The succession of obligations under the provision of the preceding paragraph will be by means of a complete assumption of obligations that completely releases Company M from those obligations.

Article 5 (Allotment of Shares)

The Incorporated Company will issue 500 common shares upon its incorporation, and all of those shares will be allotted and delivered to Company M as the consideration for the Incorporation-type Company Split.

Article 6 (Amount of Stated Capital and Reserves of the Incorporated Company)

The amounts of stated capital, capital reserve, other capital surplus and retained earnings reserve upon incorporation of the Incorporated Company shall be as follows:

- (1) Stated capital: JPY 50 million
- (2) Capital reserve: JPY 0
- (3) Other capital surplus: The amount obtained by deducting the total amounts specified in the preceding two items from the Amount of Changes in Shareholders' Equity, etc. as specified in Article 49, Paragraph 1 of the Regulation on Corporate Accounting.
- (4) Retained earnings reserve: JPY 0

Article 7 (Incorporation Date of the Incorporated Company)

1. The date of registration of incorporation of the Incorporated Company (hereinafter, the “**Date of Split**”) shall be October 1, 2021; provided, however, that the Date of Split may be changed if such a change is necessary for the progress of the Incorporation-type Company Split proceedings or for any other reason.
2. The Incorporation-type Company Split shall become effective on the condition precedent that a share exchange under the share exchange agreement dated February 26, 2021 between Company M and cocokara fine Inc. (hereinafter, “**Company C**”) has become effective, wherein Company M will be the wholly-owning parent company in the share exchange and Company C will be the wholly-owned subsidiary in the share exchange.

Article 8 (General Meeting of Shareholders)

Company M shall seek approval for the Plan at the Annual General Meeting of Shareholders to be held on June 29, 2021.

Article 9 (Change of Conditions of, or Cancellation of the Incorporation-type Company Split)

Upon the occurrence or discovery of any event that materially impairs the execution of the Incorporation-type Company Split or if it otherwise becomes difficult to achieve the purpose of the Plan during the period from the day of preparation of the Plan through the Date of Split, Company M may change the conditions of the Incorporation-type Company Split or any other terms of the Plan or cancel the Incorporation-type Company Split.

Article 10 (Exemption from Duty Not to Compete)

Company M shall not assume a non-compete duty in connection with the Incorporation-type Company Split.

Article 11 (Validity of the Plan)

The Plan shall cease to be effective in any of the following cases: (i) failure to obtain approval of the Plan at Company M's AGM; (ii) failure to obtain any of the approvals, permits, consents, etc. of the relevant authorities that are necessary for the execution of the Incorporation-type Company Split as provided in laws and regulations; or (iii) cancellation of the Incorporation-type Company Split under Article 9.

Article 12 (Consultation)

In addition to the matters set forth in the Plan, any matter that is required in relation to the Incorporation-type Company Split will be decided by Company M in accordance with the purpose of the Plan.

April 28, 2021

Matsumotokiyoshi Holdings Co., Ltd.

9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba

Kiyoo Matsumoto, President and Representative Director

Details of Rights and Obligations to be Succeeded

As of the Date of Split, the assets, obligations, agreements and any other rights and obligations to which the Incorporated Company will succeed from Company M as a result of the Incorporation-type Company Split shall be as follows. The assets and obligations to which the Incorporated Company will succeed from Company M shall be determined based on Company M's balance sheet and other financial statements as of December 31, 2020 with addition or subtraction adjustments made one day prior to the effective date of the Incorporation-type Company Split.

Descriptions

1. Assets

Company M's assets are as follows:

(1) Current assets

The following prepaid expenses:

- All prepaid expenses in connection with security agreement fees and fixed asset taxes of the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba);
- All prepaid expenses in connection with parking fees of all parking lots leased by Company M located in Shinmatsudo, Matsudo-shi, Chiba, Shinmatsudo-Higashi, Matsudo-shi, Chiba and Koya, Matsudo-shi, Chiba; and
- All prepaid expenses in connection with security agreement fees and fixed asset taxes of the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba).

(2) Tangible fixed assets

(i) The following land:

No.	Address	Plot No.	Classification	Area
1	Shinmatsudo-Higashi, Matsudo-shi	9-1	Residential area	2,406.42 m ²
2	Shinmatsudo-Higashi, Matsudo-shi	9-4	Residential area	348.77 m ²
3	Shinmatsudo-Higashi, Matsudo-shi	9-7	Residential area	317.00 m ²
4	Shinmatsudo-Higashi, Matsudo-shi	10-3	Uncultivated field	122 m ²
5	Shinmatsudo-Higashi, Matsudo-shi	10-4	Pond	770 m ²
6	Koyaazaokke, Matsudo-shi	829-2	Miscellaneous land	232 m ²
7	Koyaazabokke, Matsudo-shi	829-3	Miscellaneous land	275 m ²

(ii) The following building:

No.	Address	Building number	Type	Structure	Floor area
1	9-1 Shinmatsudo-Higashi, Matsudo-shi	9-1	Office	Steel-framed structure, flat-roofed, five-storied building	1 st floor 1,742.33 m ² 2 nd floor 1,094.20 m ² 3 rd floor 891.20 m ² 4 th floor 835.58 m ² 5 th floor 768.58 m ²

(iii) The following building accessories:

- Building accessories of the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba); and
- Building accessories of the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba).

(iv) The following buildings:

- A building on the land on which the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba) is located; and
- A building on the land on which the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba) is located.

(v) The following tools, furniture and fixtures:

- Tools, furniture and fixtures existing within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba); and
- Tools, furniture and fixtures existing within the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba).

(vi) Leased assets of video and sound facilities and projectors existing within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba)

(3) Intangible fixed assets

None

(4) Investments and other assets

(i) All shares of the following affiliates and subsidiaries:

No.	Name of Issue
1	Matsumotokiyoshi Co., Ltd.
2	Matsumotokiyoshi East Co., Ltd.
3	PAPASU Co., Ltd.
4	Matsumotokiyoshi Kou-Shin-Etsu Co., Ltd.
5	Matsumotokiyoshi Chu-Shikoku Co., Ltd.
6	Matsumotokiyoshi Kyusyu Co., Ltd.
7	Matsumotokiyoshi Pharmacies Co., Ltd.
8	Matsumotokiyoshi Wholesale Co., Ltd.
9	Matsumotokiyoshi Asset Management Co., Ltd.
10	MK Planning Co., Ltd.
11	Matsumotokiyoshi Insurance Service Co., Ltd.
12	Central & Matsumotokiyoshi Ltd.
13	Matsumotokiyoshi (Taiwan) Limited
14	MATSUMOTO KIYOSHI (HK) CO., LIMITED
15	Matsumoto Kiyoshi Vietnam Joint Stock Company

(ii) Long-term prepaid expenses in connection with the design of the voice infrastructure network within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba)

(iii) The following lease and guarantee deposits:

- Lease and guarantee deposits under all lease agreements for parking lots leased by Company M located in Shinmatsudo, Matsudo-shi, Chiba, Shinmatsudo-Higashi, Matsudo-shi, Chiba and Koya, Matsudo-shi, Chiba; and
- Lease and guarantee deposits under the lease agreement for the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba)

2. Obligations

Company M's liabilities are as follows:

(1) Current liabilities

(i) Leased obligations in connection with video and audio facilities and projectors existing within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba)

(ii) The following accounts payable:

- Accounts payable in connection with the maintenance, management and repair of the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba); and
- Accounts payable in connection with the maintenance, management and repair of the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba).

(2) Fixed liabilities

- (i) Long-term lease obligations in connection with video and audio facilities and projectors existing within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba); and
- (ii) Asset retirement obligations in connection with the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba).

3. Agreements (excluding the employment agreement)

Company M executed, or succeeded in the past to, the contracts listed below and any and all rights and obligations arising under these agreements:

- Security agreement for the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba) and any other agreements incidental thereto;
- Security agreement for the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba) and any other agreements incidental thereto;
- Lease agreement for the office of Company M (address: 1-483 Shinmatsudo, Matsudo-shi, Chiba) and any other agreements incidental thereto;
- All lease agreements for parking lots leased by Company M located in Shinmatsudo, Matsudo-shi, Chiba, Shinmatsudo-Higashi, Matsudo-shi, Chiba and Koya, Matsudo-shi, Chiba and any other agreements incidental thereto;
- Any agreements incidental to, or related to, the lease assets, lease obligations and long-term lease obligations for video and audio facilities and projectors existing within the headquarters of Company M (address: 9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba); and
- Any other agreements incidental to, or related to, the assets and obligations to which the Incorporated Company will succeed from Company M pursuant to 1 and 2 above.

END

Articles of Incorporation of the Matsumotokiyoshi Group Co., Ltd.

Chapter 1 General

Article 1 (Trade Name)

The Company shall be named Matsumotokiyoshi Group Co., Ltd. In English, it shall be written as Matsumotokiyoshi Group Co., Ltd.

Article 2 (Purposes)

The purposes of the Company shall be as follows:

1. Controlling and managing the business activities of companies engaged in the following (1) - (59) and companies engaged in any business equivalent thereto by holding shares in such companies.
2. To provide any and all services incidental to the foregoing.
 - (1) Opening of pharmacies, and marketing, exporting and importing pharmaceuticals and quasi-drugs;
 - (2) Sale, import and export of poisons, deleterious substances, fertilizers, industrial chemicals, agricultural chemicals, agricultural materials, dogs, cats, small birds, insects, flowers, trees, gardening supplies, etc.;
 - (3) Sale, import and export of cosmetics, medical instruments, sanitary materials, rubber products, vinyl products, measuring instruments, etc.;
 - (4) Sale, import and export of daily sundries, household utensils, dry goods, clothing, shoes, footwear, formal bags, casual bags, rain gear, bedding, etc.;
 - (5) Sales of dairy products, beverages, rice, salt, alcoholic beverages, tobacco, smoking supplies, stamps, revenue stamps, telephone cards, lottery tickets, bus tickets, etc.;
 - (6) Sale, import and export of food products and perishable goods, as well as manufacturing and processing businesses related to such products;
 - (7) Publication and sale of books or magazines;
 - (8) Sales of petroleum products, automobiles, or other vehicles, as well as manufacturing and processing businesses related to such products;
 - (9) Sales, import and export of construction materials, paints, lumber, hardware, tools, and housing equipment, as well as design management, contracting and execution of construction work;
 - (10) Sale, import and export of household electric appliances, petroleum appliances, gas appliances, fire extinguishers, as well as furniture and interior decorations;
 - (11) Sales of jewelry, precious metals, eyeglasses, watches, cameras and camera supplies, arts and crafts, development and printing of photographs, processing of various keys;
 - (12) Sale of sporting goods, fishing goods, musical instruments, taped records, phonograph disc records, CDs, DVDs, papers, stationery, office equipment, toys, and other amusement goods;
 - (13) Sale of character products (products with illustrations of a person, animal or the like having a

- unique name or characteristic);
- (14) Planning, preparing, and implementing exhibitions, fairs, and shows;
 - (15) Sale of electronic devices such as computers and computer peripherals, and manufacture and sale of computer software;
 - (16) Brokerage for automobile transportation, cleaning services, and parcel delivery, and travel agency services;
 - (17) Management of cafeterias and coffee shops;
 - (18) Purchase and sale, lease, brokerage, ownership, use and management of real estate and parking lots;
 - (19) Manufacture and sale of nursing products and equipment;
 - (20) Manufacture, sale and lease of welfare products and equipment;
 - (21) Designated In-Home Long-Term Care Support Business under the Long-Term Care Insurance Act;
 - (22) The following in-home services under the Long-Term Care Insurance Act:
 - ① Home-visit nursing care;
 - ② Home-visit bathing care;
 - ③ Home-visit nursing;
 - ④ Home-visit rehabilitation;
 - ⑤ Guidance for management of in-home medical long-term care;
 - ⑥ Facility-visit nursing care;
 - ⑦ Facility-visit rehabilitation;
 - ⑧ Short-term admission for daily life long-term care;
 - ⑨ Short-term admission for recuperation;
 - ⑩ Care for dementia patients in communal living; and
 - ⑪ Care for patients admitted to a specified facility.
 - (23) Home renovation business for in-home care;
 - (24) Mail order sales business via the Internet, catalogs, etc.;
 - (25) General leasing and rental business;
 - (26) Advertising and publicizing
 - (27) Consultancy services for planning, research, development and construction of distribution systems, and management and operation of distribution centers;
 - (28) Representation and planning of newspaper insertions;
 - (29) Design and planning of advertisements;
 - (30) Non-life insurance agency business, insurance agency business under the Automobile Liability Security Act, and business relating to solicitation of life insurance;
 - (31) Financial services;
 - (32) Cleaning services for buildings and general houses;
 - (33) Interior finishing business;
 - (34) Building and construction business;
 - (35) Tile, brick and block construction business;

- (36) Painting business;
- (37) Plastering business;
- (38) Glazing business;
- (39) Carpentry business;
- (40) Fitting business;
- (41) Steel structure construction business;
- (42) Sheet metal construction business;
- (43) Waterproofing business;
- (44) Planning and research on effective use of land and buildings;
- (45) Consultancy services for store development;
- (46) Planning and designing of stores and offices, etc.;
- (47) Management and operation, cleaning and maintenance of stores and offices, etc.;
- (48) Sale and exchange of used materials
- (49) Provision of research, training and information on the distribution industry;
- (50) Management diagnosis and comprehensive guidance to various enterprises and individual business owners;
- (51) Worker dispatching services;
- (52) Sales operations through franchise chain systems (franchised chain stores);
- (53) Management of hospitals and medical offices (clinics);
- (54) Consignment of tabulation management of prescriptions;
- (55) Operation of beauty salons, barbers, aesthetic salons, and nail salons;
- (56) Management of fitness clubs and sports clubs;
- (57) Operation of entertainment facilities such as karaoke, game arcades, sports facilities and manga cafes;
- (58) Agency service for termite extermination; and
- (59) Any and all businesses incidental to the foregoing.

Article 3 (Location of Head Office)

The head office of the Company is located in Matsudo City, Chiba Prefecture.

Article 4 (Establishment of Organs)

The Company shall have the following entities in addition to the general meeting of shareholders and directors:

- (a) Board of Directors;
- (b) Corporate Auditors; and
- (c) Accounting Auditors.

Article 5 (Method of Public Notices)

Public notices of the Company shall be made electronically. Provided, however, that if electronic public

notice is not possible due to an accident or any other unavoidable reason, the notice shall be published in the Nihon Keizai Shimbun.

Chapter 2 Shares

Article 6 (Total Number of Authorized Shares)

The Company shall be authorized to issue a total of 10,000 shares.

Article 7 (Limitation on Transfer of Shares)

Any acquisition of Company shares by transfer must be approved by the Board of Directors.

Article 8 (Resolution of the Right to Receive the Allotment of Shares)

If the Company grants entitlement to the allotment of shares or share warrants to shareholders in the solicitation of subscribers for shares (including shares resulting from the disposal of treasury shares) and share warrants issued by the Company, then the subscription requirements, the fact that the Company grants entitlement to the allotment of such shares or share warrants to shareholders and the date of application therefor shall be determined by resolution of the Board of Directors.

Article 9 (Share Handling Regulations)

Handling of shares of the Company and fees therefor shall be in accordance with the Share Handling Regulations to be established by the Board of Directors, in addition to those stipulated by laws and regulations or these Articles of Incorporation.

Chapter 3 General Meeting of Shareholders

Article 10 (Conconvocation of Shareholders' Meetings)

An ordinary general meeting of shareholders of the Company shall be convened within three (3) months after the end of each business year, and an extraordinary general meeting of shareholders shall be convened when necessary.

Article 11 (Record Date for Shareholders' Meetings)

The record date for the ordinary general meeting of shareholders of the Company shall be March 31 of each year.

Article 12 (Convener and Chairperson)

1. The President and Director shall convene and chair a general meeting of shareholders unless otherwise provided by the relevant laws or regulations.
2. If the President and Director is unable to so act, one of the other Directors shall act on his/her behalf in the order previously determined by the Board of Directors.

Article 13 (Method of Resolution)

Unless otherwise provided for by the relevant laws and regulations or these Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present and entitled to exercise their voting rights.

Article 14 (Proxy Voting)

1. A shareholder may exercise his/her voting right by a proxy who shall be another shareholder having a voting right of the Company.
2. If provided in the preceding Paragraph, a document evidencing the authority of the proxy shall be submitted to the Company at each general meeting of shareholders.

Chapter 4 Directors and Board of Directors

Article 15 (Number of Directors)

The Company shall have no more than ten (10) Directors.

Article 16 (Election of Directors)

1. Directors shall be elected at a general meeting of shareholders.
2. A resolution for the election of Directors shall be adopted by a majority of the votes represented at the general meeting of shareholders at which shareholders holding 1/3 or more of the voting rights of all shareholders who are entitled to exercise their voting rights are present.
3. Cumulative voting shall not be used for the election of directors.

Article 17 (Term of Office of Directors)

The term of office of a Director shall expire at the conclusion of the ordinary general meeting of shareholders relating to the last business year ended within one (1) year following the Director's election.

Article 18 (Appointment of Representative Directors and Directors with Executive Titles)

1. The Board of Directors shall elect a Representative Director by resolution.
2. The Board of Directors shall, by resolution, appoint one (1) President and Director, and may appoint one (1) Chairman of the Board and a few of the Vice Presidents and Directors; and Senior Managing Directors.

Article 19 (Convener and Chairperson of Board of Directors Meetings)

1. A meeting of the Board of Directors shall be convened by the President and Director and he/she shall act as the chairperson, unless otherwise provided in the relevant laws and regulations.
2. If the President and Director is unable to so act, one of the other Directors shall act on his/her behalf in the order previously determined by the Board of Directors.

Article 20 (Convocation of Board of Directors Meetings)

1. Notice of convocation of a meeting of the Board of Directors shall be given to each Director and each Corporate Auditor at least three (3) days prior to the date of the meeting. Provided, however, that this period may be shortened in case of emergency.
2. A Board of Directors meeting may be held without the convocation procedures if all directors and company auditors consent.

Article 21 (Omission of Resolution of Board of Directors Meetings)

When the requirements of Article 370 of the Companies Act are satisfied, a resolution of the board of directors shall be deemed to have been adopted.

Article 22 (Board of Directors Regulations)

Matters concerning the Board of Directors shall be governed by the Board of Directors Regulations established by the Board of Directors in addition to the laws and regulations and these Articles of Incorporation.

Article 23 (Compensation for Directors)

Compensation and bonuses for Directors and other financial benefits received from the Company as consideration for the execution of duties (hereinafter referred to as "Compensation") shall be determined by resolution of a general meeting of shareholders.

Article 24 (Exemptions from Liability of Directors)

1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt its Directors (including those who were Directors) from liability for damages caused by the Director's negligence in the performance of his/her duties to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Outside Directors to limit their liability for damages arising from failure to perform their duties. However, the maximum amount of liability under such agreement shall be higher of either a predetermined amount of Ten (10) million yen or more or an amount prescribed by laws and regulations.

Chapter 5 Corporate Auditors

Article 25 (Number of Corporate Auditors)

The Company shall have no more than five (5) Corporate Auditors.

Article 26 (Election of Corporate Auditors)

1. Corporate Auditors shall be elected by resolution of a general meeting of shareholders.
2. A resolution for the election of Corporate Auditors shall be adopted by a majority of the votes represented at the general meeting of shareholders at which shareholders holding 1/3 or more of the voting rights of all shareholders who are entitled to exercise their voting rights are present.

Article 27 (Term of Office of Corporate Auditors)

1. The term of office of a Corporate Auditor shall expire at the conclusion of the ordinary general meeting of shareholders relating to the last business year ended within four (4) years following the Corporate Auditor's election.
2. The term of office of a Corporate Auditor elected to fill a vacancy created by a Corporate Auditor who retired before the expiration of his/her term of office shall expire upon the expiration of the term of office of the retired Corporate Auditor.

Article 28 (Compensations for Corporate Auditors)

Compensation for Corporate Auditors shall be determined by resolution of a general meeting of shareholders.

Article 29 (Exemptions from Liability of Corporate Auditors)

1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt its Corporate Auditors (including those who were Corporate Auditors) from liability for damages caused by the Corporate Auditor's negligence in the performance of his/her duties to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Outside Corporate Auditors to limit their liability for damages arising from failure to perform their duties. However, the maximum amount of liability under such agreement shall be higher of either a predetermined amount of five (5) million yen or more or an amount prescribed by laws and regulations.

Chapter 6 Calculation

Article 30 (Business Year)

The business year of the Company shall be one (1) year from April 1 of each year to March 31 of the following year.

Article 31 (Record Date for Dividends from Surplus)

1. The record date for the year-end dividend of the Company shall be March 31 of each year.
2. In addition to the preceding paragraph, dividends of surplus may be paid by fixing a record date.

Article 32 (Interim dividend)

The Company may pay interim dividends to shareholders recorded as of September 30 of each year by resolution of the Board of Directors.

Article 33 (Statute of Limitation of Dividends)

If the dividend property is money and if the dividend has not been received after the lapse of three (3) full years from the day when payment started, the Company shall be exempt from such payment obligation.

Chapter 7 Supplementary Provisions

Article 34 (Number of Shares Issued at Incorporation)

The Company shall issue 500 shares at the time of incorporation.

Article 35 (First Business Year)

The first business year of the Company shall commence on the date of incorporation of the Company and end on March 31, 2022.

END

3. Matters concerning the appropriateness of the provisions on the matters listed in Article 763, Paragraph 1, Item 6 of the Companies Act

(1) Matters concerning the appropriateness of the number of shares of MKG to be delivered by MKG upon the Incorporation-type Company Split

MKG, which will become the newly established company upon the incorporation of MKG, will issue 500 common shares and also allot and deliver all of such shares to the Company as consideration for the Incorporation-type Company Split. Since the Incorporation-type Company Split is an incorporation-type company split conducted solely by the Company, any difference in the number of shares to be allotted will not cause a difference in the substantial relationship of rights between the Company and MKG, and it is understood that the number of shares to be issued by MKG may be arbitrarily determined by the Company. As a result of consideration of the appropriate and efficient management of MKG, which will become a wholly-owned subsidiary of the Company, the amount of stated capital of MKG and other factors, the Company has determined that the above-mentioned number of shares to be allotted is appropriate.

(2) Matters concerning the appropriateness of the amount of stated capital and reserves of MKG

The Company has decided to set the amount of stated capital and reserves of MKG as stated in Article 6 of the Incorporation-type Company Split Plan in accordance with the Regulation on Corporate Accounting, from the viewpoint of realizing an agile and flexible capital policy, taking into consideration the assets, etc. to be succeeded by MKG and future business activities and other circumstances. The Company believes that the amount of stated capital and reserves are appropriate.

4. Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year of the Company (from April 1, 2020 to March 31, 2021)

Please refer to "5. Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year of the Company (from April 1, 2020 to March 31, 2021)" of Proposal 5 "Approval of the Share Exchange Agreement."

Proposal 7: Approval of the Absorption-type Company Split Agreement

As announced in the Press Release on Absorption-type Company Split, etc., based on a resolution of the Board of Directors meeting held on April 28, 2021, and subject to the Share Exchange (effective date: October 1, 2021), the Company has entered into an Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings) with the Synergy Generator concerning the Absorption-type Company Split (Matsumotokiyoshi Holdings) wherein the Company will be the split company and the Synergy Generator will be the succeeding company for the purpose of causing the Synergy Generator to succeed to the Company's sales planning, operational support and other functions.

This Proposal hereby proposes the approval of the Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings).

The reason for implementing the Absorption-type Company Split (Matsumotokiyoshi Holdings), the content of the Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings) and other matters concerning this Proposal are as follows:

1. Reason for implementing the Absorption-type Company Split (Matsumotokiyoshi Holdings)

The Absorption-type Company Split (Matsumotokiyoshi Holdings) will be implemented as part of a series of transactions under the Management Integration. For details, please refer to "1. Reason for implementing the Share Exchange" of Proposal 5 "Approval of the Share Exchange Agreement."

2. Outline of content of the Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings)

The content of the Absorption-type Company Split Agreement (Matsumotokiyoshi Holdings) is as follows:

(The following is a copy of the Absorption-type Company Split Agreement)

Absorption-type Company Split Agreement

Matsumotokiyoshi Holdings Co., Ltd. (the “**Company M**”) and MKCF Split Preparation Company (the “**Synergy Generator**”) entered into an absorption-type company split agreement (the “**Agreement**”) on April 28, 2021 (the “**Execution Date of the Agreement**”) as follows.

Article 1 (Absorption-type Company Split)

Pursuant to the provisions of this Agreement, Company M and the Synergy Generator shall have the Synergy Generator succeed to the rights and obligations in relation to the sales planning and management support functions, etc. of Company M specified in the Exhibit titled, “List of the Rights and Obligations Subject to Succession” (the “**Rights and Obligations Subject to Succession**”), by an absorption-type company split in which the Synergy Generator is the succeeding company and Company M is the split company (the “**Absorption-type Company Split**”).

Article 2 (Trade Name and Address of the Parties)

The trade name and address of Company M and the Synergy Generator are as follows:

(1) Synergy Generator (succeeding company)

Trade name: MKCF Split Preparation Company (the name is scheduled to be changed to MCC Management Co., Ltd. on October 1, 2021)

Address: MK Ochanomizu Building, 1-8-2, Yushima, Bunkyo-ku, Tokyo

(2) Company M (split company)

Trade name: Matsumotokiyoshi Holdings Co., Ltd. (the name is scheduled to be changed to MatsukiyoCocokara & Co. on October 1, 2021)

Address: 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba

Article 3 (Matters regarding the Rights and Obligations Subject to Succession)

1. The Synergy Generator shall succeed to the Rights and Obligations Subject to Succession from Company M on the Effective Date as a result of the Absorption-type Company Split.
2. All succession of liabilities pursuant to the previous paragraph shall be undertaken based on the concomitant succession method.
3. If the Synergy Generator performs the liabilities or incurs other costs of Company M other than those to which the Synergy Generator succeeded from Company M pursuant to Paragraph 1 after the Absorption-type Company Split becomes effective, the Synergy Generator may claim compensation from Company M for the full amount of such liabilities or costs.

Article 4 (Matters regarding Shares and other Monies to be Delivered upon Absorption-type Company Split)

The Synergy Generator shall pay no consideration for the Rights and Obligations Subject to Succession to which it succeeds in accordance with Article 3, Paragraph 1 upon the Absorption-type Company Split.

Article 5 (Amount of Stated Capital of the Synergy Generator)

The amounts of the stated capital, capital reserves and retained earnings reserves of the Synergy Generator will not increase as a result of the Absorption-type Company Split.

Article 6 (Effective Date)

1. The date on which the Absorption-type Company Split becomes effective (the “**Effective Date**”) shall be October 1, 2021. Provided, however, that Company M and the Synergy Generator may change the Effective Date through mutual discussions and an agreement if a change becomes necessary due to the needs arising from the procedures of the Absorption-type Company Split or other reasons.
2. The effectiveness of the Absorption-type Company Split shall be subject to the condition precedent that the share exchange based on the Share Exchange Agreement between cocokara fine Inc. (the “**Company C**”) and Company M dated February 26, 2021, in which Company M is the wholly-owning parent company and Company C is the wholly-owned subsidiary, becomes effective.

Article 7 (Shareholders Meeting)

1. Company M shall seek approval of this Agreement at the annual general meeting of shareholders scheduled on June 29, 2021 (the “**Company M’s AGM**”).
2. Pursuant to the provisions of Article 796, Paragraph 1 of the Companies Act, the Synergy Generator shall carry out the Absorption-type Company Split without obtaining the approval of the annual general meeting of shareholders for the Agreement as set forth in Article 795, Paragraph 1 of the Act.
3. Company M and the Synergy Generator may, through mutual discussions and an agreement, change the date of the Company M’s AGM or hold an extraordinary meeting of shareholders for the approval of the Agreement, if doing so becomes necessary due to the needs arising from the procedures of the Absorption-type Company Split or other reasons.

Article 8 (Change of the Conditions and Cancellation of the Absorption-type Company Split)

Upon the occurrence of, or the discovery of, events that impede the Absorption-type Company Split, or if achievement of the purpose of this Agreement becomes difficult for any other reason during the period from the Execution Date of the Agreement to the Effective Date, Company M and the Synergy Generator may, through mutual discussions and an agreement, change the conditions of the Absorption-type Company Split and other contents of this Agreement or cancel the Absorption-type Company Split.

Article 9 (Waiver of Duty not to Compete)

Company M shall not have a non-compete duty regarding the Absorption-type Company Split.

Article 10 (Effectiveness of the Agreement)

The Agreement ceases to be effective if: (i) the Agreement is not approved at the Company M’s AGM; (ii) approvals from the relevant government ministries and agencies necessary for the Absorption-type Company

Split as stipulated in the relevant laws and regulations are not obtained; or (iii) the Absorption-type Company Split is canceled in accordance with Article 8.

Article 11 (Consultation)

Any matters not addressed in this Agreement, or any doubt or uncertainty with respect to the content of this Agreement, shall be resolved through good faith consultation between Company M and the Synergy Generator.

IN WITNESS WHEREOF, Company M and the Synergy Generator have caused this Agreement to be executed in duplicate by affixing their names and seals, and each party shall retain one copy thereof.

April 28, 2021

Company M:

Kiyoo Matsumoto, President & Representative Director
Matsumotokiyoshi Holdings Co., Ltd.
9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba

Synergy Generator:

Kiyoo Matsumoto, President & Representative Director
MKCF Split Preparation Company
MK Ochanomizu Building, 1-8-2, Yushima, Bunkyo-ku, Tokyo

Exhibit to the Absorption-type Company Split Agreement

List of the Rights and Obligations Subject to Succession

The assets, liabilities, contracts and other rights and obligations to which the Synergy Generator will succeed from Company M as a result of the Absorption-type Company Split on the Effective Date are as follows. The assets and liabilities to which the Synergy Generator will succeed from Company M shall be based on the balance sheet and other financial statements of Company M as of December 31, 2020 and shall be finalized with an adjustment to reflect the fluctuation thereof until the day before the Effective Date.

1. Assets

The following assets of Company M:

(1) Current assets

- i Any and all prepaid expenses related to the business operations, including sales planning, management support, and planning and development, purchase and sales of products for group companies such as drugstores
- ii Any and all money deposited with the security company delegated with delivery service of change and coins for the shops of the subsidiaries of Company M
- iii Any and all accounts receivable, goods, stored items, accrued revenue and reserves for bad debts

(2) Tangible fixed assets

- i The following land:

No.	Address	Plot No.	Classification	Area
1	1-chome, Higashi-ikebukuro, Toshima-ku	22-11	Residential area	254.41 m ²

- ii The following building:

No.	Address	Building number	Type	Structure	Floor area
1	1-22-11, Higashi-ikebukuro, Toshima-ku	22-11-3	Shop Office	Flat-roofed eight-story building with one underground level of steel / steel-reinforced concrete / reinforced concrete structure	1st floor 221.06 m ² 2nd floor 210.59 m ² 3rd floor 238.20 m ² 4th floor 238.20 m ² 5th floor 238.20 m ² 6th floor 238.20 m ² 7th floor 215.40 m ² 8th floor 185.27 m ² 1st basement floor 209.79 m ²

- iii Any and all equipment attached to buildings, excluding the following items:
 - Equipment attached to building of the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba)
 - Equipment attached to building of the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba)
 - Equipment attached to building of the office of Company M (located in 1-8-2, Yushima, Bunkyo-ku, Tokyo)
 - iv Any and all structures, excluding the following items:
 - Structure that exists on the land on which the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba) is located
 - Structure that exists on the land on which the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba) is located
 - v Any and all tools, utensils and fixtures, excluding the following items:
 - Tools, utensils and fixtures in the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba)
 - Tools, utensils and fixtures in the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba)
 - Tools, utensils and fixtures in the office of Company M (located in 1-8-2, Yushima, Bunkyo-ku, Tokyo)
 - vi Any and all lease assets, excluding the following item:
 - Audio and visual facilities and projection equipment in the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba)
- (3) Intangible fixed assets (Synergy Generator shall not succeed to any trademark rights, patent rights, design rights or any other intellectual property rights that are not listed below from Company M)
- i Any and all software, excluding the following item:
 - Shareholders meeting support system
 - ii Any other software in progress
- (4) Investments and other assets
- i Any and all long-term prepaid expenses related to the business operations, including sales planning, management support, and planning and development, purchase and sales of products for group companies such as drugstores
 - ii Any and all lease and guarantee deposits, excluding the following items:
 - Security deposits (*shikikin* and *hoshokin*) based on all of the lease agreements regarding the parking lots rented by Company M that are located in Shinmatsudo, Shinmatsudo-Higashi and Koya, in Matsudo-shi, Chiba
 - Security deposits (*shikikin* and *hoshokin*) based on the lease agreement regarding the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba)

- iii Any and all capital contributions, reserves for bad debts and others

2. Liabilities

The following liabilities of Company M:

(1) Current liabilities

- i Any and all lease obligations, excluding the following item:
 - Lease obligations related to the audio and visual facilities and projection equipment in the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba)
- ii Any and all unpaid amounts related to the business operations, including sales planning, management support, and planning and development, purchase and sales of products for group companies such as drugstores
- iii Any and all deposits received, excluding the following item:
 - Deposits received such as withholding income tax related to dividend, Compensation and salary of employees
- iv Any and all other current liabilities, excluding the following item:
 - Unpaid business office tax
- v Any and all accounts payable and reserves for point card certificates

(2) Fixed liabilities

- i Any and all long-term lease obligations, excluding the following item:
 - Long-term lease obligations related to the audio and visual facilities and projection equipment in the head office of Company M (located in 9-1, Shinmatsudo-Higashi, Matsudo-shi, Chiba)
- ii Any and all security deposits (*shikikin* and *hoshokin*) received for guarantees
- iii Any and all asset retirement obligations, excluding the following item”
 - Asset retirement obligations related to the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba)

3. Agreements (excluding the employment agreement)

Company M executed, or succeeded in the past to, the contracts listed below and any and all rights and obligations arising under these agreements:

- i Any contracts with clients related to the accounts receivable described in 1(1)iii and any other contracts incidental thereto
- ii Any contracts incidental to, or related to, the lease assets described in 1(2)vi, the lease obligations described in 2(1)i and the long-term lease obligations described in 2(2)i
- iii Any contracts relating to the software described in 1(3)i
- iv Any contracts with suppliers relating to the accounts payable described in 2(1)v
- v Any and all lease agreements, excluding the following items:

- All of the lease agreements regarding the parking lots rented by Company M that are located in Shinmatsudo, Shinmatsudo-Higashi and Koya, in Matsudo-shi, Chiba and any other contracts incidental thereto
 - Lease agreement regarding the office of Company M (located in 1-483, Shinmatsudo, Matsudo-shi, Chiba) and any other contracts incidental thereto
 - Lease agreement regarding the office of Company M (located in 1-8-2, Yushima, Bunkyo-ku, Tokyo) and any other contracts incidental thereto
- vi Any other contracts related to the business operations, including sales planning, management support, and planning and development, purchase and sales of products for group companies such as drugstores
- vii Any other contracts incidental to, or related to, the assets and liabilities to which the Synergy Generator succeeds from Company M pursuant to 1 and 2

4. Permits and Licenses

Licenses, permissions, approvals, registrations and notifications relating to the business operations, including sales planning, management support, and planning and development, purchase and sales of products for group companies owned by Company M such as drugstores that may be subject to succession under the relevant laws and regulations.

END

3. Matters concerning the appropriateness of the provisions on the matters listed in Article 758, Item 4 of the Companies Act

The Synergy Generator does not deliver shares or other monies upon the Absorption-type Company Split (Matsumotokiyoshi Holdings) as the Absorption-type Company Split (Matsumotokiyoshi Holdings) is conducted between a wholly-owning parent company and a wholly-owned subsidiary.

4. Matters concerning Synergy Generator

(1) Balance Sheet as of the incorporation of Synergy Generator (February 18, 2021)

(Unit : JPY million)

Item	Amount	Item	Amount
(Assets)		(Net Assets)	
Cash and deposits	10	Capital	10
Total assets	10	Total liabilities and net assets	10

(2) Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the incorporation of Synergy Generator

- (i) As of April 28, 2021, the Synergy Generator entered into an absorption-type company split agreement with cocokara fine for an Absorption-type Company Split (cocokara fine - Synergy Generator).
- (ii) As of April 28, 2021, the Synergy Generator entered into an absorption-type company split agreement with the cocokarafine Healthcare for an Absorption-type Company Split (cocokarafine Healthcare –Synergy Generator) .

5. Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year of the Company (from April 1, 2020 to March 31, 2021)

Please refer to “5. Disposal of important assets, burden of major obligations, or any other event that has material impact on the status of company's assets occurring after the last day of the most recent business year of the Company (from April 1, 2020 to March 31, 2021)” of Proposal 5 “Approval of the Share Exchange Agreement.”

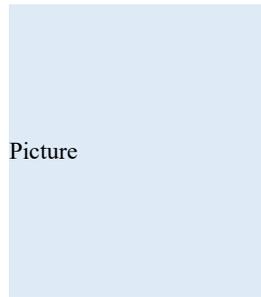
Proposal 8 Election of five (5) Directors in association with the Management Integration

This Proposal hereby proposes the election of five (5) new Directors in association with the Management Integration with cocokara fine.

The candidates for Directors are as follows. The election of each candidate shall become effective on the effective date of the Share Exchange (scheduled October 1, 2021) on the condition that Proposal 5 “Approval of the Share Exchange Agreement” is approved as originally proposed, and that the Share Exchange becomes effective.

In addition, there are currently ten (10) Directors (four (4) of which are Outside Directors), but the number of Directors as of the effective date of the election of each candidate is scheduled to be fifteen (15) (six (6) of which are Outside Directors).

Candidate No.		Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings during this business year (attendance rate)
1	New	Atsushi Tsukamoto	—	—
2	New	Tsuyoshi Yamamoto	—	—
3	New	Ryoichi Watanabe	—	—
4	New	Outside Director Independent Makoto Tanima	—	—
5	New	Outside Director Independent Junko Kawai	—	—



Attendance at Board of Directors meetings

Number of shares of the Company held (Number in parentheses is the number of shares of cocokara fine Inc. held)

— shares (35,121 shares)

No.	Name	Date of Birth
1	Atsushi Tsukamoto	November 4, 1962

New

■ Past experience, positions and responsibilities

- April 1985 Joined Seijo Co., Ltd. (currently cocokarafine Healthcare Inc.)
- December 1996 Member of the Board and General Manager of Branch Department, Seijo Co., Ltd.
- July 1999 Member of the Board and General Manager of Sales Department, Seijo Co., Ltd.
- December 2001 Executive Member of the Board and General Manager of Sales Division, Seijo Co., Ltd.
- December 2002 President, Seijo Co., Ltd.
- April 2008 President, cocokara fine Inc. (present post)
- April 2013 Member of the Board, cocokarafine Healthcare Inc.
- April 2016 President, cocokarafine Healthcare Inc. (present post)
- April 2020 Member of the Board, CFIZ Co., Ltd. (present post)
- November 2020 Member of the Board, Futatsuka Holdings Co., Ltd. (present post)

■ Significant concurrent positions

- President, cocokara fine Inc.
- President, cocokarafine Healthcare Inc.
- Member of the Board, CFIZ Co., Ltd.
- Member of the Board, Futatsuka Holdings Co., Ltd.

■ Reason for selection as a candidate for Director

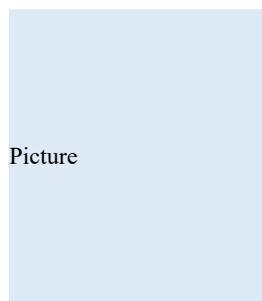
As the President of cocokara fine Inc., Mr. Atsushi Tsukamoto has been leading the group with his great vision and strong leadership for many years and promoting extensive improvement in its services and convenience for customers as a collective effort of the group as well as its transformation into a highly profitable company.

The Company proposes his appointment as a Director with the expectation that his management experience and deep insight acquired through his career will greatly contribute to the furtherance of the Management Integration, and that his knowledge in DX, marketing and ESG, in addition to his management experience, industry experience and expertise, will be an advantage in creating corporate value in the new integrated company.

■ Special interest between the candidate and the Company

There are no special interests between Mr. Atsushi Tsukamoto and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is elected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.



Picture

Attendance at Board of Directors meetings

—

Number of shares of the Company held
(Number in parentheses is the number of shares of cocokara fine Inc. held)

— shares
(2,231 shares)

No.	Name	Date of Birth
2	Tsuyoshi Yamamoto	April 25, 1966

New

■ Past experience, positions and responsibilities

April 1990	Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
May 1998	Deputy General Manager, Osaka Corporate Banking Department No. 1, The Fuji Bank, Limited
May 2001	Deputy General Manager, Advisory Department No. 3, Mizuho Securities Co., Ltd.
July 2011	Deputy General Manager, ALC Solutions Department, Mizuho Bank, Ltd.
April 2014	General Manager, Sales Division, Mizuho Corporate Advisory Co., Ltd. (currently Mizuho Bank, Ltd.)
November 2015	Managing Director, Mizuho Corporate Advisory Co., Ltd. (currently Mizuho Bank, Ltd.)
May 2016	Senior Advisor, cocokara fine Inc.
June 2016	Executive Corporate Officer, in charge of Corporate Strategy and Finance, Corporate Strategy Division, cocokara fine Inc.
April 2017	Executive Corporate Officer, in charge of Business Development and General Manager, Finance Department, Corporate Strategy Division, cocokara fine Inc.
June 2017	Member of the Board, Executive Corporate Officer, in charge of Business Development and General Manager, Finance Department, Corporate Strategy Division, cocokara fine Inc.
April 2019	Member of the Board, Executive Vice President, Director of Administration Headquarters and General Manager of Corporate Strategy Office, cocokara fine Inc. Member of the Board, cocokarafine Healthcare Inc. (present post) Member of the Board, FINECARE Inc. Member of the Board, IWASAKI KOHKENDO Co., Ltd. (present post) Member of the Board, cocokarafine Associe Co., Ltd. (present post) Member of the Board, cocokarafine soleil Co., Ltd. (present post)
June 2019	Member of the Board, Executive Vice President, Director of Administration Headquarters, in charge of Corporate Strategy Office, cocokara fine Inc. (present post)
November 2019	Member of the Board, Aianju Co., Ltd. (present post)
November 2020	Member of the Board, Futatsuka Holdings Co., Ltd. (present post)

■ Significant concurrent positions

- Member of the Board, cocokara fine Inc.
- Member of the Board, cocokarafine Healthcare Inc.
- Member of the Board, IWASAKI KOHKENDO Co., Ltd.
- Member of the Board, cocokarafine Associe Co., Ltd.
- Member of the Board, cocokarafine soleil Co., Ltd.
- Member of the Board, Aianju Co., Ltd.
- Member of the Board, Futatsuka Holdings Co., Ltd.

■ Reason for selection as a candidate for Director

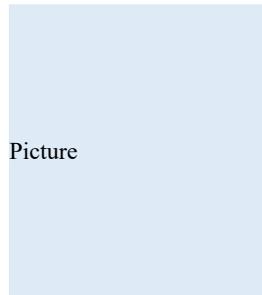
As the Director, Executive Vice President and Director of Administration Headquarters, in charge of Corporate Strategy Office of cocokara fine Inc., Mr. Tsuyoshi Yamamoto is promoting management reform and capital efficiency with the aim of achieving sustainable growth and improving corporate value over the medium to long term through its M&A, reorganization within its group and strategic alliances with other companies.

The Company proposes his appointment as a Director with the expectation that his management experience and deep insight acquired through his career will greatly contribute to the furtherance of the Management Integration and that his knowledge in DX, HR, ESG, finance/accounting/M&A, risk management/legal, in addition to his management experience, industry experience and expertise, will be an advantage in creating corporate value in the new integrated company.

■ Special interest between the candidate and the Company

There are no special interests between Mr. Tsuyoshi Yamamoto and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is elected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.



Picture

Attendance at Board of Directors meetings

—

Number of shares of the Company held
(Number in parentheses is the number of shares of cocokara fine Inc. held)

— shares
(2,880 shares)

No.	Name	Date of Birth
3	Ryoichi Watanabe	September 28, 1975

New

■ Past experience, positions and responsibilities

- April 2000 Joined Segami Medics Co., Ltd. (currently cocokarafine Healthcare Inc.)
- April 2013 Kyushu Area Manager of Pharmacy Business Department, cocokarafine Healthcare Inc.
- October 2016 Leader, Corporate Strategy Division, cocokara fine Inc.
- December 2017 Deputy General Manager, Pharmacy Business Department, cocokarafine Healthcare Inc.
- April 2018 General Manager, Pharmacy Business Department, cocokarafine Healthcare Inc.
- June 2018 Member of the Board, General Manager, Pharmacy Business Department, cocokarafine Healthcare Inc.
- November 2018 President, KS, Ltd. (currently cocokarafine Healthcare Inc.)
- April 2019 Member of the Board, Director of Pharmacy Business Division, cocokarafine Healthcare Inc.
- June 2020 Member of the Board, in charge of Sales, cocokara fine Inc. (present post)
- Member of the Board, Director of Drug Business Division and Pharmacy Business Division, cocokarafine Healthcare Inc. (present post)
- November 2020 Member of the Board, Futatsuka Holdings Co., Ltd. (present post)

■ Significant concurrent positions

- Member of the Board, cocokara fine Inc.
- Member of the Board, cocokarafine Healthcare Inc.
- Member of the Board, Futatsuka Holdings Co., Ltd.

■ Reason for selection as a candidate for Director

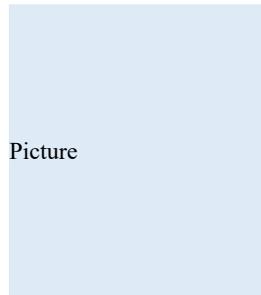
As the Director in charge of Sales of cocokara fine Inc. with his pharmacist license, Mr. Ryoichi Watanabe is promoting management reform and capital efficiency with the aim of achieving sustainable growth and improving corporate value over the medium to long term by expanding the scale and improving the quality of the healthcare business, including the pharmacy business, which is at the core of the group.

The Company proposes his appointment as a Director with the expectation that his management experience and deep insight acquired through his career will greatly contribute to the furtherance of the Management Integration and that his knowledge in DX, marketing, ESG, risk management/legal, in addition to his management experience, industry experience and expertise, will be an advantage in creating corporate value in the new integrated company.

■ Special interest between the candidate and the Company

There are no special interests between Mr. Ryoichi Watanabe and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is elected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.



Picture

Attendance at Board of Directors meetings

Number of shares of the Company held
(Number in parentheses is the number of shares of cocokara fine Inc. held)

— shares
(— shares)

No.	Name	Date of Birth	Outside Director	Independent
4	Makoto Tanima	October 6, 1971		

New

■ Past experience, positions and responsibilities

- July 1996 Registered as Certified Public Accountant
- December 1996 Registered as Certified Tax Accountant
- October 2004 Outside Member of the Board, BALNIBARBI Co., Ltd. (present post)
- April 2007 President, KANMONKAI Co., Ltd.
- March 2013 President, CENTRIS CORPORATE ADVISORY (present post)
- May 2014 Outside Member of the Board, Accrete Inc.
- December 2015 Outside Member of the Board, CAREER CO., LTD. (present post)
- Outside Audit & Supervisory Board Member, Japanese Organization for Medical Device Development, Inc. (present post)
- July 2016 Outside Audit & Supervisory Board Member, MEDICAL FITNESS LAB (currently CAPS Inc.)
- July 2017 Outside Member of the Board, Member of the Audit and Supervisory Committee, ZAPPALLAS, INC. (present post)
- June 2018 Outside Member of the Board, cocokara fine Inc. (present post)
- August 2018 Outside Member of the Board, MEDICAL FITNESS LAB (currently CAPS Inc.) (present post)
- December 2019 Outside Member of the Board, Mirairo Inc. (present post)

■ Significant concurrent positions

- Outside Member of the Board, cocokara fine Inc.
- President, CENTRIS CORPORATE ADVISORY
- Outside Member of the Board, BALNIBARBI Co., Ltd.
- Outside Member of the Board, CAREER CO., LTD.
- Outside Member of the Board, Member of the Audit and Supervisory Committee, ZAPPALLAS, INC.

■ Reason for selection as a candidate for Outside Director

Mr. Makoto Tanima has been active in various industries as a manager of other businesses for more than 10 years and has excellent expertise as a certified public accountant and certified tax accountant. The Company proposes his appointment as an Outside Director with the expectation that he will appropriately manage and supervise business execution of the Company based on an objective viewpoint as a specialist in finance, accounting and corporate management, using his knowledge in management, DX, marketing, global, ESG, finance/accounting, M&A, risk management and legal, etc. acquired through his career.

■ Special interest between the candidate and the Company

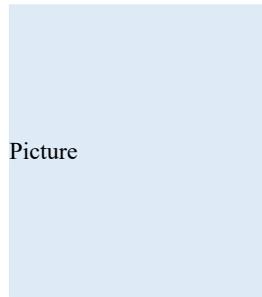
There are no special interests between Mr. Makoto Tanima and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is elected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.

(Notes)

1. If Mr. Makoto Tanima is appointed as Outside Director, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limitation of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by law and regulation.
2. If Mr. Makoto Tanima is appointed as Outside Director, he fulfills the criteria for independence set forth by the Company (see page 76), and the Company will designate him as an Independent Officer as

stipulated by regulations of the Tokyo Stock Exchange and will notify the Tokyo Stock Exchange of this designation.



Picture

Attendance at Board of Directors meetings

Number of shares of the Company held (Number in parentheses is the number of shares of cocokara fine Inc. held)

— shares
(— shares)

No.	Name	Date of Birth	Outside Director	Independent
5	Junko Kawai	December 10, 1974		

New

■ Past experience, positions and responsibilities

- October 2004 Registered as an attorney (Japan Federation of Bar Associations, Osaka Bar Association)
Joined Umegae-Chuo Legal Profession Corporation
- March 2008 Partner, Umegae-Chuo Legal Profession Corporation (present post)
- September 2010 Visiting Attorney, Masuda, Funai, Eifert & Mitchell Ltd. (Chicago)
- July 2011 Registered as an attorney in the State of New York
- January 2012 Visiting Attorney, Junhe Law Office (Beijing)
- January 2015 Member of the Board serving as Audit & Supervisory Committee Member, Kamakura Shinsho, Ltd. (present post)
- March 2018 Outside Audit & Supervisory Board Member, Blue Line Partners Co. Ltd. (present post)
- June 2019 Outside Member of the Board, cocokara fine Inc. (present post)

■ Significant concurrent positions

- Outside Member of the Board, cocokara fine Inc.
- Member of the Board, serving as Audit & Supervisory Committee Member, Kamakura Shinsho, Ltd.

■ Reason for selection as a candidate for Outside Director

Ms. Junko Kawai has worked daily for “protecting fundamental human rights and achieving social justice” as a lawyer and has been active in the area of corporate legal affairs in both Japan and abroad. The Company proposes her appointment as an Outside Director with the expectation that she will appropriately manage and supervise business execution of the Company based on an objective viewpoint as a legal expert, using her knowledge in management, ESG and risk management and legal etc. acquired through her career.

■ Special interest between the candidate and the Company

There are no special interests between Ms. Junko Kawai and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When a candidate is elected as a Director of the Company, such candidate will be included in the insured persons under this insurance agreement.

(Notes)

1. If Ms. Junko Kawai is appointed as Outside Director, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act and the Company’s Articles of Incorporation. The limitation of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by law and regulation.
2. If Ms. Junko Kawai is appointed as Outside Director, he fulfills the criteria for independence set forth by the Company (see page 76), and the Company will designate him as an Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and will notify the Tokyo Stock Exchange of this designation.

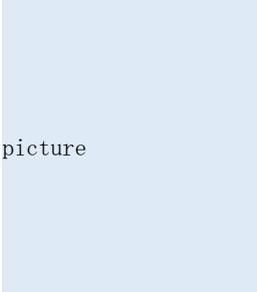
Proposal 9 Election of one (1) Corporate Auditor in association with the Management Integration

This Proposal hereby proposes the election of one (1) new Corporate Auditor in association with the Management Integration with cocokara fine.

The candidate for Corporate Auditor is as follows, and this Proposal has been approved by the Board of Corporate Auditors.

The election of the candidate shall become effective on the effective date of the Share Exchange (scheduled October 1, 2021) on condition that Proposal 5 “Approval of the Share Exchange Agreement” is approved as originally proposed, and that the Share Exchange becomes effective.

In addition, there are currently three (3) Corporate Auditors (two (2) of which are Outside Corporate Auditors), but the number of Corporate Auditors as of the effective date of the election of each candidate is scheduled to be four (4) (three (3) of which are Outside Corporate Auditors).



Number of shares of the Company held
(Number in parentheses is the number of shares of cocokara fine Inc. held)
— shares
(— shares)

Name	Date of Birth	Outside Corporate Auditor	Independent	New
Akira Torii	September 13, 1949			

- Past experience, positions and responsibilities

November 1975	Joined Daiichi Audit Office (Ernst & Young ShinNihon LLC)
July 1988	New York Office, KPMG
December 1994	Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
April 2000	Representative Partner, Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)
July 2003	Representative Partner, KPMG AZSA (currently KPMG AZSA LLC)
April 2008	Audit & Supervisory Board Member, KPMG AZSA
July 2012	Established Torii C.P.A. Office (present post)
June 2014	Outside Audit & Supervisory Board Member, cocokara fine Inc.
June 2016	Member of the Board, serving as Audit & Supervisory Committee Member (present post)
March 2018	Outside Member of the Board, A&T Corporation (present post)
- Significant concurrent positions

 - Member of the Board Serving as Audit & Supervisory Committee Member, cocokara fine Inc.
 - Representative, Torii C.P.A. Office
 - Outside Member of the Board, A&T Corporation

■ Reasons for nomination as a candidate for Outside Corporate Auditor

After serving as a representative partner for a major audit corporation, Mr. Akira Torii founded his own certified public accountant office and has been active as its representative. Mr. Torii also serves as Outside Director of a company in another industry and has abundant work experience and expertise as a certified public accountant. The Company proposes his appointment as Outside Corporate Auditor with the expectation that he will further improve the Company’s auditing functions by utilizing in its audit system his insights in ESG, finance, accounting and M&A that have been nurtured through his career.

■ Special interest between the candidate and the Company

There are no special interests between Mr. Akira Torii and the Company.

The Company has executed a directors and officers liability insurance agreement with an insurance company as set forth in Article 430-3, Paragraph 1 of the Companies Act. The liability insurance is intended to cover compensation for any damages and court fees to be borne by an insured person in an action for damages. When the above candidate is elected as Corporate Auditor of the Company, he will be included in the insured persons under this insurance agreement.

(Notes)

1. If Mr. Akira Torii is appointed as Outside Corporate Auditor, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limitation of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by law and regulation.
2. If Mr. Akira Torii is appointed as Outside Corporate Auditor, he fulfills the criteria for independence set forth by the Company (see page 76), and the Company will designate him as an Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and will notify the Tokyo Stock Exchange of this designation.
3. Reason for concluding that Mr. Akira Torii can appropriately perform his duties as a candidate for Outside Corporate Auditor
As a certified public accountant, Mr. Akira Torii has long been engaged in auditing corporations. The Company has determined that, given his strong risk judgment skills based on expertise and experience developed in the field of auditing, Mr. Akira Torii can appropriately perform his duties as Outside Corporate Auditors.

<For Reference>

Skills matrix of candidates for Directors and incumbent Corporate Auditors

The Board of Directors of the Company is responsible for creating corporate value and thereby improving shareholder value.

The Board of Directors of the Company is composed of members having diverse perspectives, abundant management experience and sophisticated skills. Therefore, candidates are selected based on their character, experience and insights, irrespective of their business sector, nationality, gender or age (including incumbent Corporate Auditors).

	Reviewees	Director/Corporate Auditor appointment standards		Strategy foundations; promotion of strategies					Areas for management consideration	
		Management	Industry Experience/ Expertise	DX	Marketing	HR	Global	ESG	Finance/ Accounting/ M&A	Risk Management/ Legal
Candidates for Directors	Namio Matsumoto	✓	✓		✓			✓		
	Kiyoo Matsumoto	✓	✓	✓	✓		✓	✓		✓
	Takashi Matsumoto	✓	✓	✓	✓		✓	✓		
	Takao Ohta	✓	✓		✓		✓	✓		
	Shingo Obe	✓	✓			✓		✓	✓	✓
	Akio Ishibashi	✓	✓	✓	✓			✓	✓	
	Isao Matsushita	✓				✓		✓	✓	
	Hiroo Omura	✓			✓			✓		✓
	Keiji Kimura	✓					✓	✓		✓
	Tomoko Okiyama	✓			✓	✓		✓		
Incumbent Corporate Auditors	Hisao Honta		✓					✓	✓	✓
	Noriko Koike							✓	✓	
	Shoichi Watanabe							✓		✓
Candidate for Directors and Corporate Auditor in association with the Management Integration										
Candidates for Directors	Atsushi Tsukamoto	✓	✓	✓	✓			✓		
	Tsuyoshi Yamamoto	✓	✓	✓		✓		✓	✓	✓
	Ryoichi Watanabe	✓	✓	✓	✓			✓		✓
	Makoto Tanima	✓		✓	✓		✓	✓	✓	✓
	Junko Kawai	✓						✓		✓
Candidate for Corporate Auditor	Akira Torii							✓	✓	

(Notes)

1. DX stands for Digital Transformation, which is included in the chart as an indicator of the individual's skills in not only applying IT to the services and business activities provided by the Company, but also improving people's lives and business activities in various aspects through the wide adoption of IT.
2. HR stands for Human Resources, which is included in the chart as an indicator of the individual's skills in developing and promoting "human resources," which is the most important resource for management, and in creating and proposing values demanded by society through such "human resources.
3. ESG stands for Environment Social Governance, which is included in the chart as an indicator of the individual's skills in implementing sustainable management by incorporating the three points (environment, society and governance) into the Company's growth strategy.

[Independence Criteria]

An individual will be deemed by the Company to lack independence as an independent director and corporate auditor if the individual constitutes any of the following:

- (1) An executive officer of the Company or a company in the group;
- (2) A non-executive director or accounting advisor of the Company or a company in the group (in case of Outside Corporate Auditor);
- (3) A person whose main business partner is the Company (which accounts for at least 2% of their consolidated net sales in the most recent fiscal year) or an executive officer thereof;
- (4) A person who is a major business partner of the Company (which accounts for at least 2% of our consolidated net sales in the most recent fiscal year) or an executive officer thereof;
- (5) A financial institution or other major creditor that is essential to a non-substitutable degree for the Company's financing or an executive officer thereof;
- (6) A certified public accountant or a member, partner or employee (excluding ancillary workers) of the audit firm who is the accounting auditor of the Company;
- (7) A major shareholder of the Company (a shareholder with a voting rights ownership of 10% or more) (if such major shareholder is a corporation, the executive officer thereof);
- (8) An executive officer of an organization with which the Company has a relationship through the mutual appointment of outside directors;
- (9) An executive officer of an organization receiving donations (amounting to an average of five (5) million yen or more per fiscal year in the last three years);
- (10) An attorney, certified public accountant, certified tax accountant or any other consultant receiving a large amount of monetary or other property benefits (amounting to an average of five (5) million yen or more per fiscal year in the last three years) apart from the executive compensation from the Company;
- (11) A person who belongs to a law firm, audit firm, tax accountant corporation, consulting firm or any other professional advisory firm (excluding ancillary workers) receiving a large amount of monetary or other property benefits (amounting to an average of ten (10) million yen or more per fiscal year in the last three years) apart from the executive compensation from the Company;
- (12) A person who satisfies either (1) or (2) above at any time in the last (10) ten years;
- (13) A person who satisfies any of (3) to (9) above at any time in the last (3) three years; or
- (14) A relative within the second degree kinship of any person falling under any of the above (1) to (13).

Proposal 10: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

As described in Proposal 5 "Approval of the Share Exchange Agreement", the Company plans to carry out the Management Integration with *cocokara fine*. Accordingly, considering the Company's trade name, business purposes and composition of directors with executive titles following the Management Integration, the Company hereby proposes to change provisions concerning its trade name (Article 1 of the Articles of Incorporation, currently in force), purposes (Article 2 of the Articles of Incorporation, currently in force) and directors with executive titles (Article 21, Paragraph 2 of the Articles of Incorporation, currently in force) (hereinafter, "Amendments to the Articles of Incorporation").

The Amendments to the Articles of Incorporation will become effective on the effective date of the Share Exchange (scheduled on October 1, 2021) on the condition that Proposal 5 "Approval of Share Exchange Agreement" is approved as originally proposed and the Share Exchange becomes effective.

2. Details of the amendments

The details of the amendments are as follows:

(Changes are underlined.)

Current Articles of Incorporation	After the Amendments
(Trade Name) Article 1 The Company shall be named <u>Matsumotokiyoshi Holdings Co., Ltd.</u> In English, it shall be written as <u>Matsumotokiyoshi Holdings Co., Ltd.</u>	(Trade Name) Article 1 The Company shall be named <u>MatsukiyoCocokara & Co.</u> In English, it shall be written as <u>MatsukiyoCocokara & Co.</u>
(Purposes) Article 2 The purposes of the Company shall be as follows: 1. (omitted) 2. <u>To purchase, sell and manufacture products handled by companies engaged in the following (1) - (59) and companies engaged in businesses equivalent thereto.</u> 3. To provide any and all services incidental to the foregoing. (1) - (59) (omitted)	(Purposes) Article 2 The purposes of the Company shall be as follows: 1. (same as the current provision) (deleted) 2. To provide any and all services incidental to the foregoing. (1) - (59) (same as the current provisions)
(Appointment of Representative Directors and Directors with Executive Titles) Article 21 (omitted) 2. The Board of Directors shall, by its resolution, appoint one (1) President and Director, and may appoint one (1) Chairman of the Board and a few Vice Presidents and Directors; Senior Managing Directors; Managing Directors; <u>Advisors and Directors.</u>	(Appointment of Representative Directors and Directors with Executive Titles) Article 21 (same as the current provision) 2. The Board of Directors shall, by its resolution, appoint one (1) President and Director, and may appoint one (1) Chairman of the Board and a few Vice Presidents and Directors; Senior Managing Directors; Managing Directors.

Proposal 11: Revision on the Amount of Compensation for Directors

The compensation amount for the Company's directors consists of "fixed compensation," "performance compensation" and "share-based compensation" ("performance compensation" and "share-based compensation" are not applicable to outside directors).

The Proposal hereby requests a revision of the total amount of "fixed compensation" and "performance compensation" in the compensation structure for directors, as follows:

In addition, the revision of the compensation amount shall take effect on the effective date of the Share Exchange (scheduled for October 1, 2021), provided that Proposal 5 "Approval of the Share Exchange Agreement" is approved as originally proposed and the Share Exchange takes effect.

■ Details of the revision of the compensation amount for directors (total amount of "fixed compensation" and "performance compensation")

Current	Up to <u>650 million yen</u> per annum (not including the employee salary portion of the compensation payable to directors concurrently serving as employees) ※Compensation for outside directors is limited to 33 million yen per year out of the <u>650 million yen</u> per annum, and outside directors are not eligible for performance compensation.
After revision	Up to <u>950 million yen</u> per annum (not including the employee salary portion of the compensation payable to directors concurrently serving as employees) ※Compensation for outside directors is limited to 40 million yen per year out of the <u>950 million yen</u> per annum, and outside directors are not eligible for performance compensation.

■ Reason of revision

If Proposal 8 "Election of 5 Directors in association with the Management Integration" is approved as originally proposed, on the condition that the Share Exchange becomes effective, there will be five (5) more directors, and the number of directors will be increased to fifteen (15) (six (6) of whom will be outside directors) on the effective date of the Share Exchange (scheduled for October 1, 2021), and thus the Company proposes a revision to the amount of compensation.

The outline of the basic policy for compensation of directors and corporate auditors of the Company is as described in page 19 of the Business Report. The Company has determined that the amount of compensation proposed in this Proposal, which is in line with this policy, is reasonable.

The outline of the Company's policy for determining the content of compensation for directors is as follows:

■ Matters pertaining to the decision policy regarding the content of compensation for each director

The Company established a policy regarding the content of compensation for individual directors (hereinafter referred to as the Decision Policy) at the board of directors meeting. The outline of the policy is as follows:

In order to stimulate motivation and boost morale of group companies to contribute to the increase of corporate value, the Company has set a target of securing and maintaining personnel who will play a key role in the growth of the Company. The Company has designed a system that considers factors such as

improvement of consolidated performance, enhancement of competitiveness at group companies, strengthening of corporate governance, and establishment of beneficial relationships with various stakeholders.

The compensation system for directors (excluding outside directors) of the Company consists of fixed compensation as the base compensation, and performance compensation and share-based compensation as the performance-based compensations, etc., that reflect the consolidated performance of the Company. Compensation for outside directors and corporate auditors consists solely of fixed compensation.

Fixed compensation is paid monthly based on an appropriate standard determined by position with reference to public standards. The performance compensation and share-based compensation are determined by multiplying the performance coefficient, which varies according to the degree of achievement of the performance target in consolidated sales and consolidated operating profit. The performance compensation is paid monthly after calculating the amount at a certain period each year divided by 12. The share-based compensation is paid annually at a certain period each year. The restricted share (RS)-based compensation has been adopted for the share-based compensation.

The composition ratio of compensation for directors (excluding outside directors) is 63% for fixed compensation, 27 - 34% for performance compensation, and 3 - 10% for share-based compensation.

Based on this policy for determining compensation, the allocation of compensation, within the scope of the resolution of the general meeting of shareholders, is discussed and determined at the board of directors meeting with independent outside directors and corporate auditors.

END