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Securities code: 3349
August 3, 2022

To Shareholders with Voting Rights:

Hideaki Yokoyama
President
Cosmos Pharmaceutical Corporation
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Hakata-ku, Fukuoka City

**NOTICE OF
THE 40th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 40th Annual General Meeting of Shareholders of Cosmos Pharmaceutical Corporation (the "Company") will be held as described below.

If you will not attend the meeting in person, you may exercise your voting rights in writing or via the Internet or other means. Please review the Reference Documents for the General Meeting of Shareholders attached hereto and exercise your voting rights no later than 6:00 p.m., Monday, August 22, 2022, Japan Standard Time.

- 1. Date and Time:** Tuesday, August 23, 2022 at 10:00 a.m., Japan Standard Time
(Reception opens at 9:30 a.m.)
- 2. Place:** Tsukushi Ballroom, 3rd floor, Main Building, Hotel Nikko Fukuoka
2-18-25 Hakata Ekimae, Hakata-ku, Fukuoka City
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 40th Fiscal Year (June 1, 2021 - May 31, 2022) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 40th Fiscal Year (June 1, 2021 - May 31, 2022)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Three (3) Directors (Excluding Directors Concurrently Serving As Audit and Supervisory Committee Members)
- Proposal 4:** Election of One (1) Substitute Director Concurrently Serving as an Audit and Supervisory Board Member

- Notes:
1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 2. Among the documents that should be provided in this Notice, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are posted on the Company's website (<https://www.cosmospc.co.jp/>) in accordance with the provisions of laws and regulations

as well as Article 14 of the Company's Articles of Incorporation, and they are not included in this Notice.

3. If any circumstances arise that require changes in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements by the day before the General Meeting of Shareholders, the changes will be posted on the Company's website (<https://www.cosmospc.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy is to return profits to shareholders by paying dividends on a stable and continuous basis, while securing sufficient internal reserves for strengthening the Company's financial foundation to prepare for appropriate reinvestment projects, such as new store openings. Based on this policy, the Company hereby proposes to pay a year-end dividend of ¥40.00 per share for the fiscal year under review.

Combined with the interim dividend of ¥40.00 per share, which the Company has paid, the annual dividend will be ¥80 yen per share, an increase of ¥10 from that for the previous fiscal year.

(1) Type of dividend property

Cash

(2) Matters related to the allocation of the dividend property and the total amount thereof

¥40.00 per share of the Company's common stock

Total amount of dividends: ¥1,583,956,600

(3) Effective date of dividends of surplus

August 24, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The enforcement of the Act Partially Amending the Industrial Competitiveness Enhancement Act, Etc. on June 16, 2021 allowed listed companies to organize general meetings of shareholders without a designated location (general meetings of shareholders without a physical location and without the in-person attendance of Directors, shareholders, and other stakeholders, held via the Internet, etc.) under certain conditions by stipulating the same in the Articles of Incorporation. Accordingly, we propose the addition of Article 2, Paragraph 2 to the Articles of Incorporation of the Company so that we can organize a general meeting of shareholders without a designated location, in the event that the Board of Directors decides that holding a general meeting of shareholders with a designated location may not be in the best interest of shareholders due to the spread of infectious diseases or occurrence of large scale disasters including natural disasters. The proposed change to Article 12 of the Articles of Incorporation will come into effect on the date when the Minister of Economy, Trade and Industry and the Minister of Justice have confirmed that, pursuant to relevant Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice, the general meeting of shareholders without a designated location by the Company satisfies the requirements in those Ordinances, that it contributes to the strengthening of industrial competitiveness while giving due consideration to the interests of its shareholders.
- (2) The amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, in order to prepare for the introduction of a system for the electronic provision of materials for general meetings of shareholders, the Company proposes to make the following necessary amendments to its Articles of Incorporation.
 - a. Article 14, Paragraph 1 of the proposed amendments is intended to stipulate that the Company will take measures for the electronic provision of the information contained in the Reference Documents for the General Meeting of Shareholders, etc.
 - b. Article 14, Paragraph 2 of the proposed amendments is intended to limit the scope of the matters to be described in the documents to be delivered to shareholders who have requested document delivery.
 - c. Provisions regarding the internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (Article 14 of the current Articles of Incorporation) are to be deleted as such provisions will become unnecessary.
 - d. Supplementary Provisions are to be established concerning the effective date(s), etc. of the above newly established and deleted provisions.
- (3) In order to implement its capital policy and dividend policy with agility, the Company proposes to establish Article 29 (Organizational Body to Decide on Appropriation of Surplus, Etc.) and amend the current Article 29 (Record Date of Dividends of Surplus) as per the proposed amendments to the Articles of Incorporation and delete the current Article 30 of the Articles of Incorporation (Acquisition of Shares of the Company), which contains overlapping provisions.

2. Details of the amendments

The details of the amendments are shown below.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Time of Convocation) Article 12: An annual general meeting of shareholders shall be convened in August of each year. (Newly established)</p>	<p>(Time <u>and Method</u> of Convocation) Article 12 An annual general meeting of shareholders shall be convened in August of each year. <u>2. The general meeting of shareholders of the Company may be held in the form of a general meeting of shareholders without a designated location.</u></p>
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for a General Meeting of Shareholders, Etc.)</u> <u>Article 14: The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 14</u> <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>(Newly established)</p>	<p><u>(Organizational Body to Decide on Appropriation of Surplus, Etc.)</u> <u>Article 29</u> <u>The Company may decide on the matters listed in the items of Article 459, Paragraph 1 of the Companies Act including appropriation of surplus by resolution of the Board of Directors, unless otherwise provided for in laws and regulations.</u></p>
<p>(Record Date of Dividends of Surplus) Article <u>29</u> <u>The Company may pay year-end dividends to the shareholders or Registered Pledgeses of Shares who</u></p>	<p>(Record Date of Dividends of Surplus) Article <u>30</u> <u>The record date for year-end dividends of the Company shall be May 31 of each year.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>have been recorded in the shareholder register at the end of each business year by resolution of the Board of Directors.</u></p> <p><u>2. In addition to the provisions of the preceding paragraph, the Company may pay interim dividends to the shareholders or Registered Pledgees of Shares who have been recorded in the shareholder register on November 30 of each year by resolution of the Board of Directors.</u></p> <p>(Newly established)</p> <p><u>(Acquisition of Shares of the Company)</u> <u>Article 30</u> <u>The Company may acquire shares of the Company through regular market transactions, etc. by resolution of the Board of Directors.</u></p> <p>(Newly established)</p>	<p><u>2. The record date for interim dividends of the Company shall be November 30 of each year.</u></p> <p><u>3. In addition to the provisions of the preceding two paragraphs, the Company may pay dividends of surplus by setting a record date.</u></p> <p>(Deleted)</p> <p><u>(Supplementary Provisions)</u></p> <p><u>1. The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for a General Meeting of Shareholders, Etc.) of the pre-amended Articles of Incorporation and the establishment of the Article 14 (Measures for Electronic Provision, Etc.) of the amended Articles of Incorporation shall come into effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for a General Meeting of Shareholders, Etc.) of the pre-amended Articles of Incorporation shall remain in force with respect to general meetings of shareholders to be held no later than February 28, 2023.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on March 1, 2023 or on the date when three (3) months have elapsed from the date of the general meeting of shareholders as set forth in the preceding paragraph, whichever comes later.</u></p>

Proposal 3: Election of Three (3) Directors (Excluding Directors Concurrently Serving As Audit and Supervisory Committee Members)

The term of office of all three (3) Directors (excluding Directors concurrently serving as Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, shareholders are requested to elect three (3) Directors (excluding Directors concurrently serving as Audit and Supervisory Committee Members).

The Board of Directors nominated the candidates for Director (excluding Director concurrently serving as an Audit and Supervisory Committee Member) after comprehensively taking their character, insight, and background into consideration, based on reports by the Nomination and Remuneration Committee, a body chaired by an Internal Director where Outside Directors form a majority.

The Audit and Supervisory Committee has reviewed this proposal but expressed no special opinions.

The candidates for Director are as follows:

[Skills Matrix of the Board of Directors]

The table below shows the types of skills and areas of specialty that are expected of the candidates for Director. It represents the composition of the Board of Directors on the assumption that the candidates become Directors.

Name	Masateru Uno	Hideaki Yokoyama	Futoshi Shibata	Michiyoshi Kosaka	Yuki Watabe	Chiyoko Harada
Reappointment/ New candidate	Reappointment	Reappointment	Reappointment	-	-	-
Position to fill	Director	Director	Director	Director concurrently serving as an Audit and Supervisory Committee Member	Outside Director concurrently serving as an Audit and Supervisory Committee Member	Outside Director concurrently serving as an Audit and Supervisory Committee Member
Corporate management / business strategies	○	○	○			
Experience in the Company's business and industry	○	○	○	○		
Sales/Marketing	○	○				
Organizational management / HR development	○	○				
Finance/Accounting			○			○
Legal affairs / Compliance			○	○	○	
ESG/SDGs			○	○	○	○

* The table above does not cover all knowledge and experience of the candidates.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Masateru Uno (February 6, 1947)	April 1991 President, the Company December 1999 Representative Director, Drug Cosmos Corporation (currently Cosmos Corporation) April 2004 Representative Director, Green Flash Corporation August 2017 Representative Director and Chairman, the Company August 2021 Chairman (to present)	234,000
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Masateru Uno, the founder of the Company, has long served as Director, driving the growth of the Company and its group companies with his strong leadership. He also has abundant experience and knowledge of management in general. We therefore consider that to further enhance corporate value, he is the best person to lead the Company. Accordingly, we propose his reappointment as Director.</p>			
2	Hideaki Yokoyama (September 19, 1980)	April 2003 Joined the Company September 2007 Area Head of Store Operation Department July 2011 Manager of Store Operations Department August 2016 Director and Manager of Store Operations Department August 2017 Director, Manager of Sales Division and Store Operations Department June 2018 President (to present) August 2019 Representative Director, Green Flash Corporation (to present)	3,400
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hideaki Yokoyama has been involved in management of the Company and its group companies since he was appointed Director in 2016. In his capacity as general supervisor for the store operations department and the entire sales department, he has leveraged his abundant experience and knowledge to help the Company and its group companies to expand their business. Since 2018, he has been serving as President. We therefore consider that to further enhance corporate value, he is the best person to serve as operating officer. Accordingly, we propose his reappointment as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Futoshi Shibata (October 24, 1971)	November 1998 Joined the Company September 2004 Manager of Public Relations Section of Human Resources and General Affairs Department July 2006 Manager of Corporate Planning Department June 2012 Representative Director, Green Flash Corporation August 2012 Director and Manager of Corporate Planning Department, the Company August 2017 President June 2018 Director and Manager of Corporate Planning Department (to present) August 2019 Director, Green Flash Corporation (to present)	30,800
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Futoshi Shibata has been involved in management of the Company and its group companies since he was appointed Director in 2012. In his capacity as general supervisor of the corporate planning department, he has leveraged his abundant experience and knowledge to help the Company and its group companies to expand their business. We therefore consider that he is the best person to further enhance corporate value. Accordingly, we propose his reappointment as Director.</p>			

- Notes: 1. There are no special interests between any of the candidates and the Company.
 2. The number of shares of the Company held is the number of shares each candidate held as of May 31, 2022.

Proposal 4: Election of One (1) Substitute Director Concurrently Serving as an Audit and Supervisory Board Member

In case the number of Directors concurrently serving as Audit and Supervisory Committee Members falls short of the minimum number required by relevant laws and regulations, shareholders are requested to elect one (1) substitute Director concurrently serving as an Audit and Supervisory Committee Member. The Audit and Supervisory Committee has given its consent to this proposal.

The candidate for substitute Director concurrently serving as an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
Masao Ueta (May 15, 1951)	April 1980 Registered as an Attorney-at-law (Fukuoka Bar Association) September 1990 Director, Ueta Masao Law Office August 2005 Corporate Auditor, the Company August 2015 Director Concurrently Serving as an Audit and Supervisory Committee Member (to present) August 2016 Co-Representative, Law Office Tokuken	0
[Reason for nomination as a candidate for substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member and expected roles] Mr. Masao Ueta has an attorney's license, possessing expert knowledge in corporate legal affairs. He was appointed Outside Corporate Auditor of the Company in 2005 and then appointed Outside Director concurrently serving as an Audit and Supervisory Committee Member in 2015, making significant contributions to the improvement of the governance and the audit system at the Company. He will be resigning from the position of Outside Director concurrently serving as an Audit and Supervisory Committee Member for personal reasons at the conclusion of this General Meeting of Shareholders, but we propose his appointment as substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member.		

- Notes:
1. Mr. Masao Ueta is a candidate for substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member.
 2. If the election of Mr. Masao Ueta under this proposal is approved and he becomes Outside Director concurrently serving an Audit and Supervisory Committee Member, the Company will conclude a contract with him, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages as provided in Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages under the contract will be the minimum liability amount stipulated by laws and regulations.
 3. If Mr. Masao Ueta, a candidate for substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member, becomes Outside Director concurrently serving as an Audit and Supervisory Committee Member, the Company will notify the Tokyo Stock Exchange (TSE) of his appointment as Independent Officer.
 4. Mr. Masao Ueta will have served as Outside Director serving as an Audit and Supervisory Committee Member for seven (7) years at the conclusion of this General Meeting of Shareholder.