

May 31, 2023

(Date of commencement of the measures for electronic provision: May 30, 2023)

NOTICE OF CONVOCATION OF THE 51st ORDINARY GENERAL MEETING OF SHAREHOLDERS

To: Our Shareholders

We are pleased to inform you that the 51st Ordinary General Meeting of Shareholders will be held as described below.

In convening this General Meeting of Shareholders, the Company has provided information electronically (the “measures for electronic provision”) and posted the matters to be provided electronically on the following website on the Internet:

The Company website: <https://www.jmdm.co.jp/en/ir/meeting/>

In addition to the website mentioned above, the matters to be provided electronically are also available on the following website on the Internet:

Tokyo Stock Exchange (TSE) website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website mentioned above, enter the Company’s name in the “Issue name (company name)” field or its securities code “7600” in the “Code” field, click the “Search” button, and select “Basic Information” then “Documents for public inspection/PR information.”

In lieu of attending the meeting, you may exercise your voting rights in writing or via the Internet. You are requested to study the Reference Documents for the General Meeting of Shareholders included in the matters to be provided electronically and exercise your voting rights by Thursday, June 22, 2023 at 5:00 p.m.

Sincerely yours,

Toshiyuki Hironaka
Representative Director and President

- 1. Date and time:** 10:00 a.m., Friday, June 23, 2023 (Reception starts at 9:00 a.m.)
2. Venue: Ohgi Room, 4th Floor of the South Tower, Keio Plaza Hotel 2-2-1 Nishi Shinjuku, Shinjuku-ku, Tokyo

3. Agenda

Matters to be reported

- (1) **Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 51st fiscal term (from April 1, 2022 to March 31, 2023)**
- (2) **Non-consolidated Financial Statements for the 51st fiscal term (from April 1, 2022 to March 31, 2023)**

Matters to be resolved

- Proposal No.1: Appropriation of Surplus**
Proposal No.2: Election of Seven (7) Directors
Proposal No.3: Election of Three (3) Statutory Auditors
Proposal No.4: Election of One (1) Substitute Statutory Auditor

Notes

1. For those attending, please present the Voting Rights Exercise Form at the reception desk on arrival at the Meeting.
2. In accordance with laws and regulations and Article 18, Paragraph 2 of the Company's Articles of Incorporation, the following items are not included in the documents mailed to shareholders who have made a request for delivery of documents. Therefore, such mailed documents constitute only part of the documents audited by the Statutory Auditors and the Accounting Auditor in preparing the audit report.
 - "Matters Regarding Accounting Auditors," "Outline of Decision or Resolution Contents Regarding Establishment of a System to Ensure the Appropriateness of Business Activities," and "Outline of the Operating Status of a System to Ensure the Appropriateness of Business Activities"
 - "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements"
 - "Non-consolidated Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements"
3. Should the matters to be provided electronically require revisions, the revised versions will be posted on each of the websites where such matters are posted.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2023)

(Thousands of yen)

ASSETS

CURRENT ASSETS	19,975,079
Cash and deposits	2,804,928
Trade receivables and contract assets	5,270,930
Merchandise and finished goods	9,378,119
Work in process	593,162
Raw materials and supplies	1,634,044
Other current assets	295,253
Allowance for doubtful accounts	(1,358)
FIXED ASSETS	9,459,634
PROPERTY, PLANT, AND EQUIPMENT:	7,744,756
Buildings and structures	837,544
Machinery, equipment and vehicles	306,786
Tools, furniture and fixtures	4,600,008
Land	1,956,171
Other fixed assets	44,246
INTANGIBLE ASSETS:	263,037
INVESTMENTS AND OTHER ASSETS:	1,451,839
Investment securities	66,770
Investments in capital of subsidiaries and associates	204,910
Deferred tax assets	1,104,875
Other investments	75,283
Total assets	29,434,714

CONSOLIDATED BALANCE SHEET

(As of March 31, 2023)

(Thousands of yen)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	3,627,191
Accounts payable	979,185
Short-term bank loans	1,046,733
Lease liabilities	34,553
Income taxes payable	339,245
Accrued expenses	511,861
Accounts payable, other	193,732
Provision for bonuses	196,606
Provision for directors' bonuses (and other officers)	64,510
Provision for loss on business	2,546
Provision for litigation settlement	100,000
Other current liabilities	158,217
LONG-TERM LIABILITIES	2,515,427
Long-term bank loans	732,248
Lease liabilities	58,163
Retirement benefit liability	1,208,511
Provision for directors' stock payments (and other officers)	103,514
Asset retirement obligations	29,493
Long-term deposits received	8,000
Deferred tax liabilities	375,495
Total liabilities	6,142,618
NET ASSETS	
STOCKHOLDERS' EQUITY	21,042,494
Common stock	3,001,929
Capital surplus	2,587,029
Retained earnings	15,656,266
Treasury stocks	(202,730)
Accumulated other comprehensive income	2,119,138
Deferred gains or losses on hedges	30,294
Adjustments on foreign currency statement translation	2,163,161
Remeasurements of defined benefit plans	(74,317)
Non-controlling interests	130,462
Total net assets	23,292,095
Total liabilities and net assets	29,434,714

CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2023)

(Thousands of yen)

Net Sales		21,307,946	
Cost of sales		7,315,297	
	Gross profit	13,992,648	
Selling, general and administrative expenses		11,967,976	
	Operating income (loss)	2,024,671	
Non operating income			
Interest income	99		
Foreign exchange gains	100,294		
Insurance claim income	13,220		
Commission fee	2,844		
Others	29,801	146,260	
Non operating expenses			
Interest expenses	18,145		
Share of loss of entities accounted for using equity method	63,857		
Syndicated loan commission	9,396		
Others	35,673	127,072	
	Ordinary income (loss)	2,043,860	
Extraordinary gains			
Compensation income	25,000	25,000	
Extraordinary losses			
Loss on disposal of fixed assets	56,129		
Impairment loss	100		
Transfer to provision for litigation settlement	100,000		
Loss on product sales suspension	142,833	299,063	
	Profit (loss) before income taxes	1,769,797	
Income taxes - current	664,869		
Income taxes - deferred	-330,798	334,070	
Profit (loss)		1,435,726	
Profit (loss) attributable to non-controlling interests		12,006	
Profit (loss) attributable to owners of parent		1,423,719	

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(For the year ended March 31, 2023)

(Thousands of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury Stock	Total
Balance at April 1, 2022	3,001,929	2,587,029	14,550,073	(111,940)	20,027,090
Changes in the year ended March 31, 2023					
Cash dividend			(317,526)		(317,526)
Profit (loss) attributable to owners of parent for the year ended March 31, 2023			1,423,719		1,423,719
Purchase of treasury shares				(90,789)	(90,789)
Net change in items other than shareholders' equity during the year ended March 31, 2023					
Total (net)	—	—	1,106,193	(90,789)	1,015,403
Balance at March 31, 2023	3,001,929	2,587,029	15,656,266	(202,730)	21,042,494

(Thousands of yen)

	Valuation And Translation Adjustments Abstract				Non-controlling interests	Total net assets
	Deferred gains or losses on hedges	Adjustments on foreign currency statement translation	Remeasurements of defined benefit plans	Total		
Balance at April 1, 2022	—	1,351,922	7,429	1,359,352	104,678	21,491,121
Changes in the year ended March 31, 2023						
Cash dividend						(317,526)
Profit (loss) attributable to owners of parent for the year ended March 31, 2023						1,423,719
Purchase of treasury shares						(90,789)
Net change in items other than shareholders' equity during the year ended March 31, 2023	30,294	811,238	(81,747)	759,785	25,784	785,569
Total (net)	30,294	811,238	(81,747)	759,785	25,784	1,800,973
Balance at March 31, 2023	30,294	2,163,161	(74,317)	2,119,138	130,462	23,292,095

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2023)

(Thousands of yen)

ASSETS

CURRENT ASSETS	12,027,028
Cash and deposits	2,225,508
Notes receivable, trade	763,578
Electronically recorded monetary claims - operating	1,650,694
Accounts receivable, trade	1,931,766
Merchandise and finished goods	5,284,933
Work in process	1,636
Raw materials and supplies	28,137
Prepaid expenses	65,762
Short-term loans receivable	597
Accounts receivable, other	27,512
Other current assets	48,267
Allowance for doubtful accounts	(1,366)
FIXED ASSETS	8,508,265
PROPERTY, PLANT, AND EQUIPMENT:	4,866,977
Buildings	354,294
Structures	3,114
Machinery and equipment	36,461
Vehicles	500
Tools, furniture and fixtures	2,549,953
Land	1,922,653
INTANGIBLE ASSETS:	165,160
Software	155,989
Telephone rights	9,170
INVESTMENTS AND OTHER ASSETS:	3,472,127
Investments in subsidiaries	2,643,682
Long-term loans receivable	2,080
Deferred tax assets	753,162
Leasehold deposits	37,971
Other investments	35,230
Total assets	<u><u>20,531,294</u></u>

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2023)

(Thousands of yen)

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2,482,871
Accounts payable, trade	602,148
Short-term bank loans	759,622
Lease liabilities	6,419
Accounts payable, other	193,732
Accrued expenses	88,559
Income taxes payable	310,508
Accrued consumption taxes	48,376
Provision for bonuses	196,606
Provision for directors' bonuses (and other officers)	64,510
Provision for loss on business	2,546
Provision for litigation settlement	100,000
Deposits received	15,958
Other current liabilities	93,882

LONG-TERM LIABILITIES	1,792,150
Long-term bank loans	545,292
Lease liabilities	4,455
Accrued retirement benefits to employees	1,101,394
Provision for directors' stock payments	103,514
Long-term deposits received	8,000
Asset retirement obligations	29,493
Total liabilities	4,275,022

NET ASSETS

STOCKHOLDERS' EQUITY	16,225,977
Common stock	3,001,929
Capital Surplus	2,587,029
Capital surplus	2,587,029
Retained earnings	10,839,749
Legal reserve	197,500
Retained earnings, other	10,642,249
General reserve	4,913,000
Unappropriated retained earnings	5,729,249
Treasury stocks	(202,730)
Accumulated other comprehensive income	30,294
Deferred gains or losses on hedges	30,294
Total net assets	16,256,272
Total liabilities and net assets	20,531,294

NON-CONSOLIDATED PROFIT AND LOSS STATEMENT

(For the year ended March 31, 2023)

(Thousands of yen)

Net Sales		12,356,772
Cost of sales		5,531,398
	Gross profit	6,825,373
Selling, general and administrative expenses		5,593,934
	Operating income (loss)	1,231,439
Non operating income		
Interest income	99	
Contract services income	100,000	
Insurance claim income	13,220	
Commission fee	2,844	
Others	5,691	121,856
Non operating expenses		
Interest expenses	5,848	
Foreign exchange losses	36,457	
Syndicated loan commission	9,396	
Others	16,122	67,825
	Ordinary income (loss)	1,285,469
Extraordinary gains		
Compensation income	25,000	25,000
Extraordinary losses		
Loss on disposal of fixed assets	52,304	
Impairment loss	100	
Transfer to provision for litigation settlement	100,000	
Loss on product sales suspension	63,810	216,215
	Profit (loss) before income taxes	1,094,254
Income taxes - current	438,762	
Income taxes - deferred	(77,098)	361,664
Profit (loss)		732,589

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(For the year ended March 31, 2023)

(Thousands of yen)

	Stockholders' equity						
	Common stock	Capital surplus	Retained earnings			Treasury stock	Total
		Additional paid-in capital	Legal reserve	Others			
				General reserve	Unappropriated retained earnings		
Balance at April 1, 2022	3,001,929	2,587,029	197,500	4,913,000	5,314,186	(111,940)	15,901,703
Changes in the year ended March 31, 2023							
Cash dividend					(317,526)		(317,526)
Profit(loss) for the year ended March 31, 2023					732,589		732,589
Purchase of treasury shares						(90,789)	(90,789)
Net change in items other than shareholders' equity during the year ended March 31, 2023							
Total (net)	—	—	—	—	415,063	(90,789)	324,273
Balance at March 31, 2023	3,001,929	2,587,029	197,500	4,913,000	5,729,249	(202,730)	16,225,977

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total	
Balance at April 1, 2022	—	—	15,901,703
Changes in the year ended March 31, 2023			
Cash dividend			(317,526)
Profit(loss) for the year ended March 31, 2023			732,589
Purchase of treasury shares			(90,789)
Net change in items other than shareholders' equity during the year ended March 31, 2023	30,294	30,294	30,294
Total (net)	30,294	30,294	354,568
Balance at March 31, 2023	30,294	30,294	16,256,272

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No.1: Appropriation of Surplus

In view of the operating results for the fiscal term, future business development and other factors, the Company proposes to pay the year-end dividend for the 51st fiscal term as follows.

(1) Dividend property classification

Cash

(2) Matters related to allotment of dividend property and its total amount

¥13 per one (1) common stock share of the Company

In this case, the total amount to be paid out in the form of dividends comes to ¥343,986,500.

(3) Effective date of distribution of surplus

June 26, 2023

Proposal No.2: Election of Seven (7) Directors

The term of office of six (6) Directors, Messrs. Toshiyuki Hironaka, Masao Okawa, Brent Allen Bartholomew, Tomoyuki Okamura, Hiroshi Ishikawa and Toshio Saburi will expire at the conclusion of this General Meeting of Shareholders. Therefore, for the purpose of enhancing the Company's sustainable growth and increasing its corporate value over the medium to long term, and in order to strengthen the diversity and the management oversight function of the Board of Directors, the Company proposes the election of seven (7) Directors, increasing the number of Independent Outside Directors by one (1). If this proposal is approved as proposed, more than one-third of the Company's Directors will be Independent Directors.

The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
1	Toshiyuki Hironaka (November 17, 1962) (Reappointment)	<p>April 1986 Joined ITOCHU Corporation</p> <p>August 2001 General Manager of Business Sales Headquarters, Dell Computer Corporation (currently Dell Technologies Japan Inc.)</p> <p>December 2006 Managing Corporate Officer, Lenovo Japan Ltd.</p> <p>August 2009 Director, Assistant to President, in charge of sales, Japan Medical Dynamic Marketing, INC.</p> <p>August 2010 Director in charge of the Sales Division and ODEV</p> <p>June 2013 Director of Ortho Development Corporation (current position)</p> <p>June 2013 Director in charge of sales and corporate planning, Japan Medical Dynamic Marketing, INC.</p> <p>April 2014 Director in charge of sales, corporate planning and the Control Division</p> <p>June 2016 Director in charge of corporate planning</p> <p>June 2021 Director in charge of the Control Division, the SCM Division and the Corporate Planning Division, Japan Medical Dynamic Marketing, INC.</p> <p>April 2022 Director, Senior Executive Officer, in charge of the Management Strategy Division</p> <p>April 2023 Representative Director and President (current position)</p>	8,600 shares
<p>Reason for the nomination as a candidate for Director</p> <p>Mr. Toshiyuki Hironaka has been involved in management of the Group as the person responsible for corporate planning, overseas business, and sustainability sectors. He has led planning of the medium-term management plan while striving to expand the business of our United States subsidiary. Based on his wealth of experience and achievements, he has demonstrated his leadership abilities to make critical management decisions in the Board of Directors, and fully supervise the execution of business by the Executive Officers. The Company has judged that his skills of management direction as President and CEO as well as knowledge on global business and sustainability are necessary, and that he is suitable for appropriate disclosure, reporting and decision making at the Board of Directors meetings, in order to promote the medium-term management plan which is currently underway by the Company and achieve sustainable growth, and so has nominated Mr. Toshiyuki Hironaka as a candidate to continue serving as a Director.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
2	Brent Allen Bartholomew (January 29, 1970) (Reappointment)	January 1996 Joined Deloitte Touche Tohmatsu Limited February 1999 Joined Ortho Development Corporation and appointed Director and Controller November 2000 CFO and Vice President of Finance February 2002 Director and CFO in charge of Finance & Administration June 2006 Executive Vice President September 2009 President (current position) March 2018 Legal Representative of Ortho Development Corporation-China (current position) June 2021 Director of Japan Medical Dynamic Marketing, INC. (current position)	– shares
<p>Reason for the nomination as a candidate for Director</p> <p>Mr. Brent Allen Bartholomew has been involved in management of Ortho Development Corporation (hereinafter “ODEV”) for many years, and has led its growth. In recent years, the role of ODEV in the Group has been increasing, in light of the Group’s medium-term management strategies that aim for sustainable growth with a focus on the cooperative development structure between Japan and the United States. From the perspectives of quality control and logistics control, it is necessary to promote a tight-knit cooperative business structure with ODEV, and the Company believes there is an increasing need for accurate and timely understanding of internal management information and operational status of internal control systems. Based on his experience and achievements in managing ODEV for many years, he has fully played his role as a Director in deciding important matters and supervising the execution of business by Executive Officers. The Company has judged that making use of this candidate’s wealth of experience, extensive knowledge on corporate management, corporate governance, global business, financial strategy and accounting and diverse values in the Group’s management will be optimal for the Company in order to establish and strengthen the unified business operation and administrative structure that integrate the Company and ODEV, and so has nominated Mr. Brent Allen Bartholomew as a candidate to continue serving as a Director.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
3	Yasuaki Hidaka (September 11, 1970) (New Candidate)	December 1992 Joined Japan Medical Dynamic Marketing, INC. June 2008 General Manager of the Sales Department of the Sales Division August 2010 General Manager of the West Japan Sales Department of the Sales Division April 2015 General Manager of the Trauma Product Department of the Marketing Group, the Business Promotion Division April 2017 General Manager of the Special Sales Department of the Sales Division June 2020 Director, Deputy General Manager of the Sales Division April 2022 Senior Executive Officer, Deputy General Manager of the Sales Division (current position)	2,400 shares
<p>Reason for the nomination as a candidate for Director</p> <p>Mr. Yasuaki Hidaka is familiar with trends in the orthopedic medical device industry in which the Group belongs to, and has a wealth of sales experience in the field. He has also engaged in product development by leveraging his network with health care professionals, has made efforts to plan and direct the implementation of the Company's sales strategy, and has also played a leading role in coping with changes in the trading environment. He has an experience as a Director of the Company, he will be able to fully play his role as a Director in deciding important matters, executing business, and supervising other Director's execution of business. The Company has judged that making use of this candidate's wealth of knowledge and experience in order to further strengthen the Company's sales department and successfully cope with technological advances and new developments in the industry will be optimal for the Company, and so has nominated Mr. Yasuaki Hidaka as a candidate for Director.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
4	Tomoyuki Okamura (January 1, 1971) (Reappointment) (Outside) Attendance at the Board of Directors meetings: 100% (13 /13) Number of concurrent positions at other listed companies: 1*	April 1995 Joined Technical Research Institute, Mitsui Toatsu Chemicals, Inc. (currently Mitsui Chemicals, Inc.) July 2003 Display Materials Team Leader, Interface Control Group, Material Science Laboratory, Mitsui Chemicals, Inc. October 2010 Development Team Leader of Performance Film & Sheet Project, New Materials Development Center August 2013 New Business Development Team Leader, Dental Materials Group, Health Care Materials Division May 2017 In charge of Strategy & Alliances, Business Planning Group, Planning & Coordination Division, Healthcare Business Sector April 2019 Business Planning Group Leader, Planning & Coordination Division, Healthcare Business Sector April 2022 General Manager, Medical Business Development Division, Life & Healthcare Solutions Business Sector (current position)* June 2022 Outside Director, Japan Medical Dynamic Marketing, INC. (current position)	– shares
<p>Reason for the nomination as a candidate for Outside Director and overview of expected roles</p> <p>Mr. Tomoyuki Okamura has many years of experience in corporate R&D departments and is well versed in the development of new technologies and products. In the field of medical devices, he also has experience in the development of dental materials as well as experience as the person in charge of healthcare business. The Company has judged that making use of this candidate’s wealth of experience and extensive knowledge on corporate governance will be optimal for the Company in order to supervise the management of the Company from the perspective of research and development, and so has nominated Mr. Tomoyuki Okamura as a candidate to continue serving as an Outside Director.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
5	<p>Hiroshi Ishikawa (June 8, 1968) (Reappointment) (Outside) (Independent)</p> <p>Attendance at the Board of Directors meetings: 100% (18 /18)</p> <p>Number of concurrent positions at other listed companies: 1*</p>	<p>April 1999 Joined Ohhara Law Office, registered as a lawyer (current position)</p> <p>June 2013 Outside Director, Japan Medical Dynamic Marketing, INC. (current position)</p> <p>December 2013 Supervisory Director, Daiwa House Residential Investment Corporation (currently Daiwa House REIT Investment Corporation) (current position)*</p>	– shares
<p>Reason for the nomination as a candidate for Outside Director and overview of expected roles</p> <p>Mr. Hiroshi Ishikawa has extensive knowledge and experience as a lawyer and is familiar with corporate governance. The Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice as a legal expert to improve the transparency and fairness of the Company’s management, and so has nominated Mr. Hiroshi Ishikawa as a candidate to continue serving as an Outside Director. Additionally, as a member of the Nomination and Remuneration Advisory Committee, which holds consultations regarding nomination of directors of the Company and decisions on their remuneration, he is expected to play a role in supervising the management team, such as reflecting evaluation of the Company’s performance in the appointments of officers of the Company and decisions on their remuneration from an objective standpoint.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
6	<p>Toshiro Saburi (June 2, 1949) (Reappointment) (Outside) (Independent)</p> <p>Attendance at the Board of Directors meetings: 100% (18 /18)</p> <p>Number of concurrent positions at other listed companies: 1*</p>	<p>October 1982 Joined Chuo Accounting Audit Corporation March 1986 Registered as a Certified Public Accountant September 1993 Partner, Chuo Accounting Audit Corporation January 1999 Joined Tempstaff Co., Ltd. October 2002 Auditor, e-staffing Co., Ltd. June 2004 Director, General Manager of Support Division, Tempstaff Co., Ltd. June 2005 Executive Managing Director, Tempstaff Co., Ltd. October 2008 Executive Managing Director and General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd. (currently PERSOL HOLDINGS CO., LTD.) May 2010 Executive Managing Director, General Manager of Group Corporate Planning Division, Temp Holdings Co., Ltd. and Director, Kelly Services, Inc. June 2015 Outside Director, Japan Medical Dynamic Marketing, INC. (current position) July 2019 Outside Director (Audit & Supervisory Committee Member), RAIZNEXT Corporation (current position)*</p>	3,900 shares
<p>Reason for the nomination as a candidate for Outside Director and overview of expected roles Mr. Toshio Saburi has specialized knowledge and experience garnered as a certified public accountant, and also has expertise and experience being engaged in corporate management of listed companies and global business. Therefore, the Company has judged that the Company will be able to further strengthen the supervisory function of the Board of Directors with his advice to improve the transparency and fairness of the Company's management, and so has nominated Mr. Toshio Saburi as a candidate to continue serving as an Outside Director. Additionally, as the Chairman of the Nomination and Remuneration Advisory Committee, which holds consultations regarding nomination of directors of the Company and decisions on their remuneration, he is expected to play a role in supervising the management team, such as reflecting evaluation of the Company's performance in the appointments of officers of the Company and decisions on their remuneration from an objective standpoint.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies		Number of Company shares held
7	Tokiko Ide (April 16, 1958) (New Candidate) (Outside) (Independent) Number of concurrent positions at other listed companies: 1*	April 1981 April 1988 June 1998	Joined Victor Company of Japan, Limited Joined Japan Motorola, Inc. Joined Dell Computer Corporation (currently Dell Technologies Japan Inc.)	– shares
		September 2005 July 2012 April 2014 August 2016 July 2017 June 2018	Finance Vice President, Baxter Limited CFO, Acyan Corporation CFO, NEW Asurion Asia Pacific Japan G.K. (currently Asurion Japan Holdings G.K.) CEO, Asurion Japan K.K. Outside Director, ARUHI Corporation (current position)* Advisor, Asurion Japan Holdings G.K.	
Reason for the nomination as a candidate for Outside Director and overview of expected roles Ms. Tokiko Ide has a wealth of experience and expertise as a corporate manager and a financial officer. The Company has judged that, mainly in the field of finance, she can grasp the Company's business issues accurately from a professional perspective and provide advice and supervision on the Company's business execution from an objective and long-term perspective, and so has nominated Ms. Tokiko Ide as a candidate for Outside Director. In addition, she is expected to leverage her experience as a corporate manager and her expertise as a financial officer to play a role in judging the resolution of the Board of Directors and supervising the management team from an independent and objective standpoint.				

- Notes:
- No conflict of interest exists between the Company and the above candidates for Director.
 - Messrs. Tomoyuki Okamura, Hiroshi Ishikawa and Toshio Saburi and Ms. Tokiko Ide are candidates for Outside Directors. When Messrs. Hiroshi Ishikawa and Toshio Saburi are re-elected as Outside Directors, they will continue to be Independent Directors in accordance with the listing regulations of the Tokyo Stock Exchange, Inc. In addition, when Ms. Tokiko Ide is elected as Outside Director, she will be appointed as an Independent Director in accordance with the listing regulations of the Tokyo Stock Exchange, Inc.
 - Special notes with regard to candidates for Outside Directors are as follows:
 - Independence of candidates for Outside Directors
Messrs. Hiroshi Ishikawa and Toshio Saburi and Ms. Tokiko Ide have not accepted any significant amount of money or other asset (excluding remuneration for Directors) from the Company or any parties specially related to the Company in the past two years, nor will they do so in the future. In addition, they are not spouses, relatives within the third degree of kinship, or any other equivalents of the executive officers or officers of the Company or of any parties specially related to the Company.
 - The terms of office since the candidates for Outside Directors are in office as Outside Directors
Mr. Tomoyuki Okamura, currently an Outside Director of the Company, will have been in office for one (1) year at the conclusion of this General Meeting of Shareholders.
Mr. Hiroshi Ishikawa, currently an Outside Director of the Company, will have been in office for ten (10) years at the conclusion of this General Meeting of Shareholders.
Mr. Toshio Saburi, currently an Outside Director of the Company, will have been in office for eight (8) years at the conclusion of this General Meeting of Shareholders.
 - Liability limitation agreement with the candidates for Directors
Messrs. Tomoyuki Okamura, Hiroshi Ishikawa and Toshio Saburi have actually concluded a liability limitation agreement with the Company and are scheduled to conclude the same with the Company after their re-election. If the election of Ms. Tokiko Ide is approved, the Company will enter into the said liability limitation agreement with her.
The contents of the agreement are outlined as follows:
 - Liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act shall be covered to the extent stipulated by laws and regulations, if the Director performs his/her duties in good faith and without gross negligence.
 - The Company has concluded a directors and officers liability insurance contract under which all Directors are the insured. The contract will cover damage that may arise as a result of the insured Directors' assumption of liability for the execution of their duties or receiving claims for the pursuit of such liability. When each candidate assumes office as Director, he/she will be insured under the insurance contract, and the Company plans to renew the insurance contract during his/her terms of office.

Proposal No.3: Election of Three (3) Statutory Auditors

The term of office of four (4) Statutory Auditors Messrs. Itsuro Numata, Shoichi Hanzawa and Takeaki Tsuchiya, and Ms. Miyoko Yamada will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Statutory Auditors, decreasing the number of Statutory Auditors by one (1). The Board of Statutory Auditors has given its approval for this proposal.

The candidates for Statutory Auditors are as follows:

Candidate Number	Name (Date of Birth)	Career summary, positions, and major concurrent titles at other companies	Number of Company shares held
1	<p>Itsuro Numata (May 18, 1960) (Reappointment)</p>	<p>March 1984 Joined Japan Medical Dynamic Marketing, INC. July 2001 General Manager of the Sales Planning Department and General Manager of the Product Management Department, of the Sales Division October 2002 General Manager of the Marketing Strategy Office and General Manager of the Product Management Department, of the Sales Division August 2003 Director, Divisional Manager of the Sales Division Director of Ortho Development Corporation August 2005 Director in charge of product management and marketing June 2007 Representative Director and President in charge of the Sales Division August 2009 Director in charge of the Business Promotion Division August 2010 Director, General Manager of the Business Promotion Division April 2013 Director in charge of Trauma business promotion and the Operations Department June 2017 Full-time Statutory Auditor (current position)</p>	51,878 shares
<p>Reason for the nomination as a candidate for Statutory Auditor Mr. Itsuro Numata has been in charge of a wide range of operations including those in the sales, marketing and operation sectors in his many years as a Director of the Company, and has knowledge and a wealth of experience acquired through these duties. He has appropriately audited the Directors' execution of duties. The Company has judged that making use of this candidate's wealth of knowledge and experience in auditing of the Company will be optimal for the Company, and so has nominated Mr. Itsuro Numata as a candidate to continue serving as a Statutory Auditor.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions, and major concurrent titles at other companies	Number of Company shares held
2	Kazuko Hashimoto (April 30, 1967) (New Candidate) (Outside) (Independent) Number of concurrent positions at other listed companies: 0	<p>April 1990 Joined Chuo Accounting Audit Corporation</p> <p>March 1993 Registered as Certified Public Accountant</p> <p>January 1999 Joined PricewaterhouseCoopers LLP in Cincinnati, USA</p> <p>October 2000 Joined Deloitte LLP in Cincinnati, USA</p> <p>October 2002 Joined ChuoAoyama Audit Corporation</p> <p>November 2004 Financial Controller of I&S BBDO inc.</p> <p>June 2008 Financial Controller of Nihon Cytec Industries, Inc. (currently Allnex Japan Inc.)</p> <p>March 2011 Audit & Supervisory Board Member of DAICEL-ALLNEX LTD.</p> <p>January 2012 Representative Director and President of Allnex Japan Inc.</p> <p>October 2019 Started Kazuko Hashimoto Certified Public Accounting Office (current position)</p>	– shares
<p>Reason for the nomination as a candidate for Outside Statutory Auditor</p> <p>Ms. Kazuko Hashimoto has a wealth of knowledge and experience mainly in the introduction of SOX compliance and the establishment of internal controls for SOX compliance audit, for Japanese and foreign companies for many years. She has also long overseas experience and is well versed in international governance. The Company has nominated Ms. Kazuko Hashimoto as a candidate for an Outside Statutory Auditor in order for her to make use of her specialized knowledge and experience in maintenance and enhancement of the Company’s auditing system.</p>			

Candidate Number	Name (Date of Birth)	Career summary, positions and responsibilities, and major concurrent titles at other companies	Number of Company shares held
3	Yoshiaki Jitto (September 10, 1958) (New Candidate) (Outside) (Independent) Number of concurrent positions at other listed companies: 0	<p>April 1981 Joined ITOCHU Corporation</p> <p>April 1990 CEO for Asia Bloc (stationed in Hong Kong) and General Manager, and Manager of Audit Department, Accounting Division of ITOCHU Hong Kong Ltd (on secondment)</p> <p>April 1999 Manager of Europe Business Development Group and Audit Department of ITOCHU Europe PLC (on secondment, and stationed in London)</p> <p>July 2002 Manager of Machinery Audit Team, Machinery Business Management Division of ITOCHU Corporation</p> <p>April 2005 Manager of Planning & Administration Team, Affiliate Administration & Risk Management Division</p> <p>April 2010 Deputy General Manager of Planning & Administration Team, Affiliate Administration & Risk Management Division</p> <p>April 2011 Deputy General Manager of Internal Audit Division, and General Manager of Internal Control Testing Department</p> <p>June 2013 General Manager of Audit & Supervisory Board Members’ Office</p> <p>June 2015 Full-time Audit & Supervisory Member of ITOCHU LOGISTICS CORP.</p>	– shares
<p>Reason for the nomination as a candidate for Outside Statutory Auditor</p> <p>Mr. Yoshiaki Jitto has a wealth of knowledge and experience derived from his many years of service in the accounting and auditing sectors both in Japan and overseas when seconded to other companies. In addition, he is well versed in internal control evaluations and other tasks in the risk management and audit sectors. The Company has nominated Mr. Yoshiaki Jitto as a candidate for an Outside Statutory Auditor in order for him to make use of his specialized knowledge and experience in maintenance and enhancement of the Company’s auditing system.</p>			

- Notes:
1. No conflict of interest exists between the Company and the above candidates for Statutory Auditors.
 2. Ms. Kazuko Hashimoto and Mr. Yoshiaki Jitto are candidates for Outside Statutory Auditors. When Ms. Kazuko Hashimoto and Mr. Yoshiaki Jitto are approved as Outside Statutory Auditors, they will be appointed as Independent Auditors in accordance with the listing regulations of the Tokyo Stock Exchange, Inc.
 3. Special notes with regard to candidates for Outside Statutory Auditor are as follows:
 - (1) Independence of candidates for Outside Statutory Auditors
Ms. Kazuko Hashimoto and Mr. Yoshiaki Jitto have not accepted any significant amount of money or other asset (excluding remuneration for Statutory Auditors) from the Company or any parties specially related to the Company in the past two years, nor will they do so in the future. In addition, they are not spouses, relatives within the third degree of kinship, or any other equivalents of the executive officers or officers of the Company or of any parties specially related to the Company.
 - (2) Liability limitation agreement with Outside Statutory Auditors
If the election of Ms. Kazuko Hashimoto and Mr. Yoshiaki Jitto is approved, the Company will enter into the said liability limitation agreement with them.
The contents of the agreement are outlined as follows:
 - Liability of Outside Statutory Auditor for damages as stipulated in Article 423, Paragraph 1 of the Companies Act shall be covered to the extent stipulated by laws and regulations, if the Outside Statutory Auditor performs his/her duties in good faith and without gross negligence.
 4. The Company has concluded a directors and officers liability insurance contract under which all Statutory Auditors are the insured. The contract will cover damage that may arise as a result of the insured Statutory Auditors' assumption of liability for the execution of their duties or receiving claims for the pursuit of such liability. When each candidate assumes office as Statutory Auditor, he/she will be insured under the insurance contract, and the Company plans to renew the insurance contract during his/her term of office.

Proposal No.4: Election of One (1) Substitute Statutory Auditor

In preparation for the case of lacking the number of Statutory Auditors required by laws and regulations, the Company proposes the election of one (1) Substitute Statutory Auditor in advance. The Board of Statutory Auditors has previously given its approval for this proposal. The candidate for Substitute Statutory Auditor is as follows:

Name (Date of Birth)	Career summary, positions, and major concurrent titles at other companies	Number of Company shares held
Motoshige Murakami (August 26, 1978) (Outside) (Independent) Number of concurrent positions at other listed companies: 0	April 2007 Entered the Legal Training and Research Institute of Japan September 2008 Registered as a lawyer (current position) September 2008 Joined Ohhara Law Office January 2014 Outside Director of Accea Co., Ltd. (current position) October 2015 Representative Member of Management Concierge (legal professional corporation) (current Management Concierge Law Office) (current position) October 2019 Representative Member of clarity (labor and social security attorney corporation) (current position) June 2020 Representative Director of Naru Co., Ltd. (current position) November 2020 Auditor of cheids (corporation engaging in specified non-profit activities) (current position)	– shares
Reason for the nomination as a candidate for Substitute Outside Statutory Auditor Mr. Motoshige Murakami has specialized knowledge and experience garnered as an attorney, and has a wealth of experience as a corporate manager. He is also well versed in corporate governance. The Company has nominated Mr. Motoshige Murakami as a Substitute Outside Statutory Auditor in order for him to make use of his specialized knowledge and experience in maintenance and enhancement of the Company’s auditing system.		

- Notes:
1. No conflict of interest exists between the Company and the above candidate for Substitute Statutory Auditor.
 2. The above candidate for Substitute Statutory Auditor is a candidate for Outside Statutory Auditor.
 When Mr. Motoshige Murakami is elected and appointed as Outside Statutory Auditor, he will be appointed as Independent Auditors in accordance with the listing regulations of the Tokyo Stock Exchange, Inc.
 3. Special notes with regard to candidates for Substitute Outside Statutory Auditor are as follows:
 - (1) Independence of candidates for Substitute Statutory Auditors
 Mr. Motoshige Murakami has not accepted any significant amount of money or other asset (excluding remuneration for Statutory Auditor) from the Company or any parties specially related to the Company in the past two years, nor will he do so in the future. Furthermore, he is not a spouse, a relative within the third degree of kinship, or any other equivalent of the executive officers or officers of the Company or of any parties specially related to the Company.
 - (2) Liability limitation agreement with Outside Statutory Auditors
 If Mr. Motoshige Murakami assumes office as Outside Statutory Auditor, the Company will enter into the said liability limitation agreement with him.
 The contents of the agreement are outlined as follows:
 - Liability of Outside Statutory Auditor for damages as stipulated in Article 423, Paragraph 1 of the Companies Act shall be covered to the extent stipulated by laws and regulations, if the Outside Statutory Auditor performs his/her duties in good faith and without gross negligence.
 4. The Company has concluded a directors and officers liability insurance contract under which all Statutory Auditors are the insured. The contract will cover damage that may arise as a result of the insured Statutory Auditors’ assumption of liability for the execution of their duties or receiving claims for the pursuit of such liability. When the candidate for Substitute Statutory Auditor assumes office as Statutory Auditor, he will be insured under the insurance contract, and the Company plans to renew the insurance contract during his term of office.

[Reference] Directors' Skills Matrix (planned composition after the conclusion of this Ordinary General Meeting of Shareholders)

Position in the Company	Name	Nomination and Remuneration Advisory Committee	Expertise and Experience					
			Corporate Management	Governance	Global Business	Legal, Compliance & Risk Management	Sustainability	Financial Strategy & Accounting
Representative Director and President	Toshiyuki Hironaka	○	○	○	○		○	○
Director	Brent Allen Bartholomew		○	○	○	○		○
Director	Yasuaki Hidaka		○			○		
Outside Director	Tomoyuki Okamura			○	○			
Outside Director	Hiroshi Ishikawa	○		○		○	○	
Outside Director	Toshio Saburi	○ Chairman	○	○	○			○
Outside Director	Tokiko Ide		○		○	○		○
Statutory Auditor	Itsuro Numata			○				
Outside Statutory Auditor	Kazuko Hashimoto		○	○	○			○
Outside Statutory Auditor	Yoshiaki Jitto			○	○	○		

The Group's Skill Requirements and Definitions

Skill	Definition
Corporate Management	Corporate Management involves possessing the skills and experience necessary to provide highly effective supervision of the management team (executive officers), who continuously run the business, from an independent and objective standpoint, by establishing management principles, etc., and presenting the broad direction of corporate strategy and the Company's ideal future state, with the aim of continuously increasing corporate value.
Governance	Governance involves possessing the skills and experience necessary to appropriately establish a system for sound corporate management through compliance, internal control over financial reporting, and proactive risk management, and to effectively supervise the operation of such a system to ensure that it is operating effectively.
Global Business	Global Business involves possessing the skills and experience necessary to demonstrate leadership while showing respect for diversity, with experience in overseas business and overseas subsidiary operations, and with the language skills to communicate appropriately in any situation.
Legal, Compliance & Risk Management	Legal, Compliance & Risk Management involves possessing the skills and experience necessary for an appropriate establishment of a proactive risk management system and effective control of whether the system is successfully operated with knowledge of laws, regulations, and guidelines applicable to the Company's business, including the Companies Act and the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices.
Sustainability	Sustainability involves possessing the skills and experience necessary to recognize sustainability-related issues, which encompass environmental problems like climate change, as well as considerations for human rights, employee health and working conditions, the fair and equitable treatment of employees, proper transactions with business partners, and risk management for natural disasters, and to be proactive in addressing these issues.
Financial Strategy & Accounting	Financial Strategy & Accounting involves possessing the skills and experience necessary to develop an accurate financial reporting system as well as internal controls over financial reporting, and to formulate appropriate financial strategies that comprehensively take into account the balance between the promotion of investment in growth to build a robust financial ground and increase sustainable corporate values and shareholder returns.