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Securities code: 3349

August 2, 2023

(Start date of electronic provision measures: July 28, 2023)

To Shareholders with Voting Rights:

Hideaki Yokoyama
President
Cosmos Pharmaceutical Corporation
Dai-ichi Fukuoka Building S, 4F
2-10-1 Hakata Eki Higashi,
Hakata-ku, Fukuoka City

**NOTICE OF
THE 41st 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 41st Annual General Meeting of Shareholders of Cosmos Pharmaceutical Corporation (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically on the following websites as the “Notice of The 41st Annual General Meeting of Shareholders.”

The Company’s website

<https://www.cosmospc.co.jp/english/ir-library/>

Tokyo Stock Exchange website (Listed Company Search)

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

(Please enter and search for the Company’s name or securities code, then select “Basic information,” “Documents for public inspection/PR information.”)

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 included in the matters for electronic provision and exercise your voting rights no later than 6:00 p.m., Monday, August 21, 2023, Japan Standard Time.

- 1. Date and Time:** Tuesday, August 22, 2023 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 41st Fiscal Year (June 1, 2022 - May 31, 2023) 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 41st Fiscal Year (June 1, 2022 - May 31, 2023)

Proposals to be resolved:

- Proposal 1:** Election of Three (3) Directors (Excluding Directors Concurrently Serving As Audit and Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Concurrently Serving as Audit and Supervisory Committee Members
- Proposal 3:** Election of One (1) Substitute Director Concurrently Serving as an Audit and Supervisory Committee Member
- Proposal 4:** Determination of Remuneration for the Allotment of Shares with Restrictions on Transfer to Directors (Excluding Directors and Outside Directors Concurrently Serving As Audit and Supervisory Committee Members)

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- Notes: 1. If you attend the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. If any circumstances arise that require changes to the matters for electronic provision, the changes will be posted on the abovementioned websites.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Three (3) Directors (Excluding Directors Concurrently Serving As Audit and Supervisory Committee Members)

The terms 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. Mr. Masateru Uno will resign as a Director. 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	Hideaki Yokoyama	Futoshi Shibata	Yukitaka Uno	Michiyoshi Kosaka	Yuki Watabe	Chiyoko Harada
Reappointment/ New candidate	Reappointment	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	Hideaki Yokoyama (September 19, 1980)	April 2003 Joined the Company	3,500
		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)			
[Reasons for nomination as a candidate for Director] 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.			
2	Futoshi Shibata (October 24, 1971)	November 1998 Joined the Company	30,800
		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)			
[Reasons for nomination as a candidate for Director] 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.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	*Yukitaka Uno (November 21, 1973)	February 2001 Joined Cosmos Corporation April 2005 Joined the Company April 2005 Manager of Sales Planning Section of Sales Department May 2005 Director, Green Flash Corporation (to present) November 2009 Manager of Sales Planning Department, the Company August 2012 Director and Manager of Sales Planning Department January 2018 Director and Manager of Product Development Department August 2021 Executive Officer and Manager of Product Development Department (to present)	1,200,000
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Yukitaka Uno 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 sales planning department and product development department, he has leveraged his abundant experience and knowledge to help the Company and its group companies to expand their business. For two years from 2021, he contributed to the expansion of business in his capacity as Executive Officer. We therefore consider that he is the best person to further enhance corporate value. Accordingly, we propose his reappointment as Director.</p>			

- Notes:
1. The asterisk (*) indicates a new candidate for Director.
 2. There are no special interests between any of the candidates and the Company.
 3. The number of shares of the Company held is the number of shares each candidate held as of May 31, 2023.

Proposal 2: Election of Three (3) Directors Concurrently Serving as Audit and Supervisory Committee Members

The terms of office of all three (3) 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 concurrently serving as Audit and Supervisory Committee Members. The Audit and Supervisory Committee has given its consent to this proposal.

The candidates for Directors concurrently serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Michiyoshi Kosaka (September 27, 1960)	<p>May 2003 Joined the Company</p> <p>January 2005 Manager of General Affairs Section</p> <p>April 2009 Manager of General Affairs Department</p> <p>June 2012 Director, Green Flash Corporation</p> <p>August 2019 Director and Audit and Supervisory Committee Member, the Company (to present)</p> <p>August 2019 Corporate Auditor, Green Flash Corporation (to present)</p>	400
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Michiyoshi Kosaka has served as Manager of General Affairs Department since 2009 and helped the Company and its group companies to expand their business in his capacity as general supervisor for the general affairs department. At the same time, he has extensive knowledge of the general business affairs of the Company. We believe he is suitable for the improvement of the governance and the audit system. Accordingly, we propose his reappointment as a Director concurrently serving as an Audit and Supervisory Committee Member.</p>			
2	Yuki Watabe (August 4, 1971)	<p>December 2008 Registered as an Attorney-at-law (Fukuoka Bar Association)</p> <p>December 2008 Joined Tokunaga Kenichi Law Office (currently Law Office Tokuken) (to present)</p> <p>April 2014 Deputy-Director General of the Kyushu Federation of Bar Associations, 2014</p> <p>April 2019 Director of Administrative Affairs, Fukuoka Bar Association, 2019</p> <p>August 2022 Director and Audit and Supervisory Committee Member, the Company (to present)</p>	0
<p>[Reasons for nomination as a candidate for Outside Director and expected roles]</p> <p>Ms. Yuki Watabe has as an attorney's license, possesses expert knowledge in corporate legal affairs, and has sufficient insight to ensure sound corporate management. Although she has never been directly involved in corporate management, we believe she will contribute to our audit system by leveraging her legal knowledge and experience accumulated working as an attorney for many years. Accordingly, we propose her reappointment as an Outside Director concurrently serving as an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Chiyoko Harada (April 24, 1974)	April 2000 Joined Ito Jiro Tax Accountant Office	0
		September 2002 Joined Harada Shoichi Tax Accountant Office (to present)	
February 2003 Registered as a tax accountant			
August 2021 Director and Audit and Supervisory Committee Member, the Company (to present)			
[Reasons for nomination as a candidate for Outside Director and expected roles] Ms. Chiyoko Harada has a tax accountant's license and possesses specialist knowledge in relation to finance and accounting. Although she has never been directly involved in corporate management, we believe she is capable of appropriately executing her duties as an Outside Director from the perspectives of management supervision and checks due to her many years of experience as a tax accountant. Accordingly, we propose her reappointment as an Outside Director concurrently serving as an Audit and Supervisory Committee Member.			

- Notes:
1. There are no special interests between any of the candidates and the Company.
 2. The name of Outside Director candidate, Ms. Chiyoko Harada, appears in the family register as Chiyoko Tsutsumi.
 3. Ms. Yuki Watabe and Ms. Chiyoko Harada are candidates for Outside Directors concurrently serving as Audit and Supervisory Committee Members. The Company has notified the Tokyo Stock Exchange that Ms. Yuki Watabe and Ms. Chiyoko Harada are independent officers in accordance with the stipulation of the Tokyo Stock Exchange.
 4. Regarding the contract with Outside Directors concurrently serving as Audit and Supervisory Committee Members to limit liability amount
The Company has concluded contracts with Ms. Yuki Watabe and Ms. Chiyoko Harada pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act to limit the amount of their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the contract will be the minimum liability amount stipulated by laws and regulations. The Company will continue the said contract if their election as Outside Directors is approved.
 5. Ms. Yuki Watabe will have served as an Outside Director concurrently serving as an Audit and Supervisory Committee Member for one (1) year at the conclusion of this General Meeting of Shareholders.
 6. Ms. Chiyoko Harada will have served as an Outside Director concurrently serving as an Audit and Supervisory Committee Member for two (2) years at the conclusion of this General Meeting of Shareholders.
 7. The number of shares of the Company held is the number of shares each candidate held as of May 31, 2023.

Proposal 3: Election of One (1) Substitute Director Concurrently Serving as an Audit and Supervisory Committee 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 August 2016 Co-Representative, Law Office Tokuken (to present)	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 and had served until 2022, making significant contributions to the improvement of the governance and the audit system at the Company. As described above, he is well versed in the Company's corporate governance system, therefore we propose his appointment as substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member.

- Notes:
1. There are no special interests between Mr. Masao Ueta and the Company.
 2. Mr. Masao Ueta is a candidate for substitute Outside Director concurrently serving as an Audit and Supervisory Committee Member.
 3. 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.
 4. 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.

Proposal 4: Determination of Remuneration for the Allotment of Shares with Restrictions on Transfer to Directors (Excluding Directors and Outside Directors Concurrently Serving As Audit and Supervisory Committee Members)

The amount of remuneration for the Company's Directors (excluding Directors concurrently serving as Audit and Supervisory Committee Members) was approved to be no more than ¥240 million (however, this does not include the employee salary portion for a Director who concurrently serves as an employee) per annum at the 33rd Annual General Meeting of Shareholders held on August 21, 2015.

In order for the Company's Directors (excluding Directors and Outside Directors concurrently serving as Audit and Supervisory Committee Members, hereinafter "Eligible Directors") to share the benefits and risks of fluctuations in stock price with shareholders and have greater motivation to contribute to higher stock prices and the enhancement of corporate value, the Company proposes allotting the Company's ordinary shares with the conditions of a certain transfer restriction period and grounds such as gratis allotment by Company (hereinafter "Shares with Restrictions on Transfer") as detailed below.

Accordingly, comprehensively taking into account various matters such as the contributions of Eligible Directors, the Company proposes setting the total amount of monetary remuneration claims paid to Eligible Directors as remuneration, etc. related to Shares with Restriction on Transfer to no more than ¥900 million per annum, in addition to the aforementioned amounts of Directors' remuneration, etc. In the payment of remuneration, etc. for Shares with Restriction on Transfer, based on the above objectives, the Company expects to make a lump-sum payment to Eligible Directors during the fiscal year that includes the start date of the period specified by the Company's Board of Directors (hereinafter "Applicable Period") as remuneration for their services. Therefore, the actual amount to be paid per fiscal year will be no more than ¥60 million. Comprehensively taking into account various matters such as the contributions of Eligible Directors, the Company has determined the allotment of Shares with Restriction on Transfer and believes the content thereof to be appropriate. However, even after such payment is made, the Company may allocate the Shares with Restriction on Transfer by providing Eligible Directors with remuneration, etc. related to the Shares with Restriction on Transfer within the above annual amount, so that newly appointed Eligible Directors can realize the above objectives as much as possible.

Moreover, the number of the Company's Directors (excluding Directors concurrently serving as Audit and Supervisory Committee Members) currently serving is three (3) (of which none are Outside Directors), and if Proposal 1 is approved, the number of Directors will remain the same.

Details of the Shares with Restriction on Transfer to be Granted to Eligible Directors and the Upper Limit Thereof

1. Allotment and Payment of Shares with Restrictions on Transfer

Based on the resolution of the Company's Board of Directors, the Company shall provide Eligible Directors with monetary remuneration claims within the aforementioned annual amount as remuneration, etc. for Shares with Restriction on Transfer and each Eligible Director shall be allotted Shares with Restriction on Transfer by way of the Company providing all of the said monetary remuneration claims as an in-kind contribution.

The amount to be paid for Shares with Restriction on Transfer shall be determined by the Company's Board of Directors based on the closing price of the Company's Ordinary Shares on the Tokyo Stock Exchange the business day immediately prior to the date of the resolution pertaining to the issuance and disposal by the Board of Directors meeting (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day) so that the amount received by the Eligible Directors to receive Shares with Restriction on Transfer is not particularly advantageous.

Moreover, the conditions of the aforementioned monetary remuneration claims are that the Eligible Directors have consented to the aforementioned in-kind contribution and have concluded an Allotment Agreement for Shares with Restriction on Transfer including the content prescribed in 3 below.

2. Total Number of Shares with Restriction on Transfer

The total number of 30,000 Shares with Restriction on Transfer to be allotted to Eligible Directors to be allotted in each fiscal year shall be the upper limit of Shares with Restriction on Transfer. As mentioned above, although the Company shall make a lump-sum payment of the monetary remuneration claims during the fiscal year that includes the start date of the Applicable Period as remuneration for their services, it is expected that the Shares with Restriction on Transfer will be allotted by paying all of the said monetary remuneration claims as an in-kind contribution. Therefore, the substantial total number of Shares with Restriction on Transfer to be allotted per fiscal year through the said payment shall be no more than 2,000 shares.

However, from the day the resolution pertaining to this Proposal is made, the Company shall be able to reasonably adjust the total number of the said Shares with Restriction on Transfer in the case that a stock split (including gratis allotment of the Company's Ordinary Shares) or a reverse stock split of the Company's Ordinary Shares is made, or whenever any other equivalent reason arises.

3. Details of the Allotment Agreement for Shares with Restriction on Transfer

In relation to the allotment of Shares with Restriction on Transfer, in accordance with a resolution by the Company's Board of Directors, the Company and the Eligible Directors to be allotted Shares with Restriction on Transfer shall enter into an allotment agreement for Shares with Restriction on Transfer as prescribed below.

(1) Details of Restriction on Transfer

From the date of issuance of the Shares with Restriction on Transfer to the day the Company's Director, Executive Officer, or employee resigns or retires from any of their positions (hereinafter "Transfer Restriction Period"), Eligible Directors to be allotted Shares with Restriction on Transfer shall not transfer to a third party, create a pledge, set transfer security interest on, give as an inter vivos gift, bequeath or otherwise dispose of (hereinafter "Transfer Restrictions") the Shares with Restriction on Transfer allotted to the said Eligible Directors (hereinafter "Allotted Shares")

(2) Gratis Allotment of Shares with Restriction on Transfer

If an Eligible Director to be allotted Shares with Restriction on Transfer retires or resigns from any of the positions as the Company's Director, Executive Officer, or employee before the expiration of the Applicable Period, the Company will acquire the Allotted Shares for no consideration as a matter of course, unless the Company's Board of Directors recognizes a justifiable reason.

Moreover, if there are any Allotted Shares for which the Transfer Restrictions have not been lifted in accordance with the stipulations for lifting Transfer Restrictions shown below in (3) at the time the Transfer Restriction Period expires as prescribed in (1) above, the Company will acquire the Allotted Shares for no remuneration as a matter of course.

(3) Lifting of Transfer Restrictions

With the condition that the Eligible Director to be allotted Shares with Restriction on Transfer maintains the position of the Company's Director, Executive Officer, or employee continuously throughout the Applicable Period, the Company shall lift Transfer Restrictions for all the Allotted Shares at the time the Transfer Restriction Period expires.

However, if the said Eligible Director retires or resigns as the Company's Director, Executive Officer, or employee before the expiration of the Applicable Period for a reason recognized as justifiable by the Company's Board of Directors, the number of Allotted Shares for which Transfer Restrictions shall be lifted and the timing thereof shall be reasonably adjusted as necessary.

(4) Treatment in Case of Organizational Restructuring of the Company

In the case that a proposal for a merger agreement under which the Company will be absorbed, a share exchange agreement or a stock transfer plan under which the Company will become a wholly-owned subsidiary or other forms of reorganization of the Company was approved by the Company's General Meeting of Shareholders (or the Company's Board of Directors when such reorganization does not require approval of the Company's General Meeting of Shareholders) during the Transfer Restriction Period, the Company will, by a resolution of its Board of Directors, lift the Transfer Restrictions on the Allotted Shares prior to the effective date of such reorganization to the number of Allotted Shares that is reasonable considering the period from the date of commencement of the Transfer Restriction Period to the date of approval of the said reorganization, etc.

In such cases, the Company shall acquire the Allotted Shares for which the Transfer Restrictions were lifted as a matter of course without any consideration immediately after the Transfer Restrictions are lifted in accordance with the aforementioned provisions.

Reference

After the conclusion of the General Meeting of Shareholders, the Company plans to allot Shares with Restriction on Transfer to the Company's employees in the same way as the aforementioned Shares with Restriction on Transfer.