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Stock Exchange Code: 3341

June 2, 2023

(Starting date of the measures for electronic provision: June 1, 2023)

To Shareholders with Voting Rights:

Yosuke Mitsuhashi
President & CEO
NIHON CHOUZAI Co., Ltd.
1-9-1, Marunouchi, Chiyoda-ku, Tokyo

**NOTICE OF
THE 43rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 43rd Annual General Meeting of Shareholders of NIHON CHOUZAI Co., Ltd. (the “Company”) will be held for the purposes as described below.

The Company has taken measures for the electronic provision of materials for this General Meeting of Shareholders, and posted the matters to be provided electronically on the following website.

The Company’s website: <https://www.nicho.co.jp/en/ir/stock/meeting.html>

In addition to the above, the materials to be provided electronically are disclosed on the Tokyo Stock Exchange’s website below.

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

If you will not attend the meeting in person, you can exercise your voting rights in advance in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 6:00 p.m. on Thursday, June 22, 2023, Japan time.

- 1. Date and Time:** Friday, June 23, 2023, at 10:00 a.m. Japan time
(Reception will start at 9:15 a.m.)
- 2. Place:** 6F Conference room, Station Conference Tokyo at Sapia Tower located at
1-7-12, Marunouchi, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 43rd Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 43rd Fiscal Year (April 1, 2022 - March 31, 2023)
 - Proposals to be resolved:**
 - Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Eight Directors (excluding Directors Who Are Audit & Supervisory Committee Members)
 - Proposal 3:** Election of One Substitute Director Who Is an Audit & Supervisory Committee Member
 - Proposal 4:** Payment of Bonuses to Directors

To shareholders

- In convening this general meeting of shareholders, pursuant to laws and regulations and provisions of Article 15 of the Company's Articles of Incorporation, the Company has taken measures for the electronic provision of materials for information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters to be provided electronically), while sending this notice by post as well. The content of this notice is disclosed on the Company's website and the Tokyo Stock Exchange's website.
- Any updates to the matters to be provided electronically will be posted on the Company's website and the Tokyo Stock Exchange's website.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Distribution of Surplus

The Company proposes to appropriate surplus as follows.

Matters related to year-end dividend

The Company considers the return of profits an important management issue and has made it a basic policy to return the maximum amount of profit to shareholders according to business results each period, giving due consideration to ensuring that the Company has the internal reserves necessary for future growth.

Under this policy, the year-end dividend for this year is proposed to be as follows:

- 1) Type of dividend property
Cash
- 2) Items related to the allocation of dividend property to shareholders and its total amount
12.50 yen per common share of the Company
In this case, total amount of dividend will be 374,831,313 yen.
- 3) Date the distribution of surplus comes into effect
June 26, 2023

Proposal 2: Election of Eight Directors (excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all nine Directors (excluding Directors who are Audit & Supervisory Committee members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this year's Annual General Meeting of Shareholders.

Accordingly, in order to improve the efficiency of the management structure, we propose the election of eight Directors, a decrease of one Director. Additionally, regarding this proposal, the Audit & Supervisory Committee of the Company has judged that all of the candidates for Directors are qualified for the position.

The candidates for Directors are as follows:

No.	Name	New appointment/ Reappointment	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings (FY2022)
1	Yosuke Mitsuhashi	Reappointment	President & CEO, Presidential Executive Officer Overall corporate management In charge of corporate planning and DX Strategy	15/15 (100%)
2	Naoto Kasai	Reappointment	Managing Director, Managing Executive Officer In charge of sales management, sales development, corporate information, public relations, and sustainability management	15/15 (100%)
3	Toshiyuki Koyanagi	Reappointment	Director, Senior Executive Officer General Manager of Pharmaceutical Headquarters In charge of pharmaceuticals administration, pharmaceuticals administration promotion, education and information, promotion of generic products, purchasing, at-home medical care, healthcare promotion, marketing, pharmaceuticals planning, quality control, medical care strategy planning, branch management, systems, medical care cooperation promotion, and business development	15/15 (100%)
4	Kazunori Ogi	Reappointment	Director, Senior Executive Officer General Manager of Finance Department In charge of accounting, finance, and affiliated companies	15/15 (100%)
5	Yoshihisa Fujimoto	Reappointment	Director, Senior Executive Officer In charge of general affairs, human resources, Pharmaceutical Recruitment Center, insurance service business, risk management, and compliance management CSO	15/15 (100%)
6	Masahiro Inoue	New appointment	-	-
7	Yoshimitsu Onji	Reappointment	Director <u>Outside</u> <u>Independent</u>	15/15 (100%)
8	Mikiharu Noma	Reappointment	Director <u>Outside</u> <u>Independent</u>	15/15 (100%)

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
1	Yosuke Mitsuahara (February 5, 1976) [Reappointment]	September 1999	Joined the Company	6,640,000
		April 2001	General Manager of Corporate Planning Department	
		January 2005	Director of Nihon Generic Co., Ltd.	
		April 2006	General Manager of Sales Promotion Department	
		October 2006	Director of Medical Resources Co., Ltd.	
		June 2007	Director, General Manager of Business Promotion Department	
		June 2010	Resigned the Director	
		June 2013	Director of Japan Medical Research Institute Co., Ltd.	
		June 2014	Director of the Company	
		June 2014	Director of Nihon Generic Co., Ltd.	
		June 2015	Managing Director of the Company	
		June 2017	Senior Managing Director	
		June 2019	President & CEO (to present)	
		June 2019	President & CEO of Medical Resource Co., Ltd.	
		June 2019	President & CEO of Nihon Generic Co., Ltd.	
		June 2019	President & CEO of Japan Medical Research Institute Co., Ltd.	
		June 2019	Chairman of the Board of Choseido Pharmaceutical Co., Ltd.	
June 2021	Chairman of the Board of Medical Resources Co., Ltd. (to present)			
April 2022	Presidential Executive Officer of the Company (to present)			
June 2022	Chairman & Representative Director of Nihon Generic Co., Ltd. (to present)			
June 2022	Chairman of the Board of Japan Medical Research Institute Co., Ltd. (to present)			
[Responsibilities] Overall corporate management, in charge of corporate planning and DX Strategy				
[Reason for nomination as candidate for Director] After joining the Company in 1999, Mr. Yosuke Mitsuahara has served as General Manager of Corporate Planning Department, General Manager of Sales Promotion Department, and Director of the Company and its affiliated companies. Currently, as President & CEO of the Company, he is demonstrating leadership as the Chief Executive Officer of the Company, such as by advancing the growth strategy to make innovations in the medical industry. As he has knowledge regarding overall corporate management, the Company has renominated him as a candidate for Director.				
2	Naoto Kasai (May 16, 1962) [Reappointment]	April 2013	Joined the Company	4,000
		April 2013	Manager of Sales Management Department	
		October 2013	General Manager of Sales Promotion Department	
		June 2015	Director, General Manager of Sales Promotion Department	
		April 2016	Director, General Manager of Sales Management Department	
		June 2016	Managing Director, General Manager of Sales Management Department	
		April 2020	Managing Director (to present)	
April 2022	Managing Executive Officer (to present)			
[Responsibilities] In charge of sales management, sales development, corporate information, public relations, and sustainability management				
[Reason for nomination as candidate for Director] After joining the Company in 2013, Mr. Naoto Kasai has mainly engaged in pharmacy development operations, and has served as General Manager of Sales Promotion Department. He is currently serving as the officer in charge of sales management, sales development, corporate information, public relations, and sustainability management in his capacity as Managing Director. As he has extensive track record of developing pharmacies at the Company and knowledge regarding administration and management of overall pharmacy development of the Company, the Company has renominated him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
3	Toshiyuki Koyanagi (April 8, 1963) [Reappointment]	July 1990	Joined the Company	8,960
		April 2000	Manager of Pharmaceutical Department, Tohoku Branch	
		December 2004 December 2009	General Manager of East Japan Pharmaceutical Headquarters General Manager of Purchasing Department, Pharmaceutical Headquarters	
	April 2012	General Manager of Pharmaceutical Headquarters and General Manager of Purchasing Department, Pharmaceutical Headquarters		
	June 2012	Director, General Manager of Pharmaceutical Headquarters and General Manager of Purchasing Department, Pharmaceutical Headquarters		
	January 2014	Director, General Manager of Pharmaceutical Headquarters (to present)		
	April 2022	Senior Executive Officer (to present)		
	[Responsibilities] General Manager of Pharmaceutical Headquarters, in charge of pharmaceuticals administration, pharmaceuticals administration promotion, education and information, promotion of generic products, purchasing, at-home medical care, healthcare promotion, marketing, pharmaceuticals planning, quality control, medical care strategy planning, branch management, systems, medical care cooperation promotion, and business development			
	[Reason for nomination as candidate for Director] After joining the Company in 1990, Mr. Toshiyuki Koyanagi has mainly engaged in pharmacy management and administrative operations, and has served as General Manager of Pharmaceutical Headquarters and General Manager of Purchasing Department, Pharmaceutical Headquarters. He is currently serving as the officer in charge of pharmaceuticals administration, pharmaceuticals administration promotion, education and information, promotion of generic products, purchasing, at-home medical care, healthcare promotion, marketing, pharmaceuticals planning, quality control, medical care strategy planning, branch management, systems, medical care cooperation promotion, and business development in his capacity as Director and General Manager of Pharmaceutical Headquarters. As he has extensive work experience at the Company and knowledge regarding pharmacy administration and management operations, the Company has renominated him as a candidate for Director.			
4	Kazunori Ogi (November 14, 1966) [Reappointment]	May 2008	Joined the Company	9,400
		May 2008	Deputy General Manager of Finance Department	
		April 2009	Manager of Finance Department	
	April 2015	General Manager of Finance Department		
	June 2015	Director, General Manager of Finance Department (to present)		
	June 2015	Director of Medical Resource Co., Ltd.		
	October 2021	President & CEO of Choseido Pharmaceutical Co., Ltd. (to present)		
	October 2021	Director of Nihon Generic Co., Ltd. (to present)		
	April 2022	Senior Executive Officer of the Company (to present)		
	[Responsibilities] General Manager of Finance Department, in charge of accounting, finance, and affiliated companies			
	[Reason for nomination as candidate for Director] After joining the Company in 2008, Mr. Kazunori Ogi has mainly engaged in finance and accounting operations. He is currently serving as the officer in charge of accounting, finance, and affiliated companies in his capacity as Director and General Manager of Finance Department, as well as Director of a subsidiary. As he has extensive work experience at the Company and knowledge regarding the Company's administration and management operations, the Company has renominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
5	Yoshihisa Fujimoto (September 10, 1958) [Reappointment]	January 2011	Joined the Company	14,600
		January 2011	General Manager of Sales Department for Public Institutions	
		October 2013	General Manager of General Affairs Department	
		June 2016	Director, General Manager of Administration Department and General Affairs Department	
		April 2019	Director, General Manager of Administration Department	
		April 2022	Senior Executive Officer (to present)	
		May 2023	Director (to present)	
		[Responsibilities] In charge of general affairs, human resources, Pharmaceutical Recruitment Center, insurance service business, risk management, and compliance management; and CSO		
		[Reason for nomination as candidate for Director] After joining the Company in 2011, Mr. Yoshihisa Fujimoto has engaged in pharmacy development operations as General Manager of Sales Department for Public Institutions. Subsequently, he has served as General Manager of General Affairs Department, and is currently serving as the officer in charge of general affairs, human resources, Pharmaceutical Recruitment Center, insurance service business, risk management, and compliance management and CSO in his capacity as Director. As he has a wide variety of work experience at the Company and knowledge regarding the Company's administration and management operations, the Company has renominated him as a candidate for Director.		
6	Masahiro Inoue (December 20, 1963) [New appointment]	May 2016	Joined Nihon Generic Co., Ltd.	0
		May 2016	General Manager of Human Resources and General Affairs Department of Nihon Generic Co., Ltd.	
		June 2016	Director of Nihon Generic Co., Ltd.	
		June 2017	Managing Director of Nihon Generic Co., Ltd.	
		June 2020	Director of Choseido Pharmaceutical Co., Ltd. (to present)	
		June 2022	President & CEO of Nihon Generic Co., Ltd. (to present)	
		[Significant concurrent positions] President & CEO of Nihon Generic Co., Ltd. Director of Choseido Pharmaceutical Co., Ltd.		
		[Reason for nomination as candidate for Director] After joining Nihon Generic Co., Ltd. in 2016, Mr. Masahiro Inoue has been responsible for the overall management operation of the company and currently serves as President & CEO. As he has extensive work experience and knowledge regarding administration and management operations, he is expected to manage the NIHON CHOUZAI Group's pharmaceutical manufacturing and sales business and contribute to the strengthening of its structure. Accordingly, the Company has nominated him as a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
8	Mikiharu Noma (November 6, 1974) [Reappointment] [Outside] [Independent]	April 2002	Lecturer of Faculty of Economics and Business Administration of Yokohama City University	0
		October 2003	Assistant Professor of Faculty of Economics and Business Administration of Yokohama City University	
		October 2004	Assistant Professor of Graduate School of International Corporate Strategy (ICS) of Hitotsubashi University	
		April 2007	Associate Professor of Graduate School of International Corporate Strategy (ICS), Hitotsubashi University	
		June 2016	Outside Director of BANDAI NAMCO Holdings Inc.	
		April 2019	Professor of Graduate School of Business Administration, Hitotsubashi University Business School (to present)	
		June 2019	Outside Auditor of Nice Holdings, Inc. (currently Nice Corporation) (to present)	
		December 2019	Outside Audit & Supervisory Board Member of DarWin Capital Partners Ltd. (to present)	
		April 2021	Business Adviser of BANDAI NAMCO Entertainment Inc.	
		June 2021	Outside Director of the Company (to present)	
	January 2022	Outside Director of Good Com Asset Co., Ltd. (to present)		
[Significant concurrent positions] Professor of Graduate School of Business Administration, Hitotsubashi University Business School Outside Auditor of Nice Corporation Outside Audit & Supervisory Board Member of DarWin Capital Partners Ltd. Outside Director of Good Com Asset Co., Ltd.				
[Reason for nomination as candidate for Outside Director and a summary of expected roles] Although he has not been involved in corporate management other than as Outside Director in the past, Mr. Mikiharu Noma is conducting research and educational activities on finance and accounting as well as corporate value assessment as a professor at a university, and he is expected to contribute to the improvement of the Company's corporate value by leveraging his expert scholarship and experience. Accordingly, the Company has renominated him as a candidate for Outside Director. His term of office will be two years at the conclusion of this General Meeting of Shareholders.				

- (Notes)
1. There are no special interests between the candidates and the Company.
 2. "Number of shares of the Company held" is the number of shares as of March 31, 2023.
 3. Mr. Yoshimitsu Onji and Mr. Mikiharu Noma are candidates for Outside Directors. The Company has registered them with the Tokyo Stock Exchange, Inc. as independent directors.
 4. Mr. Yoshimitsu Onji and Mr. Mikiharu Noma have entered into agreements with the Company in accordance with the Company's Articles of Incorporation to limit their liability for damages to the amount stipulated by laws and regulations. If their election is approved, the Company plans to continue the said liability limitation agreements.
 5. The Company does not plan to enter into indemnification agreements with the candidates regarding expenses as stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act or losses as stipulated in Item 2 of the said Paragraph.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers compensation for damages and litigation expenses that an individual insured person incurs in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured in his/her capacity as such. The candidates will become the insured persons under the insurance contract.

(Reference) Distribution of skill sets possessed by Directors

		Mitsu- hara	Kasai	Koyanagi	Ogi	Fujimoto	Inoue	Onji	Noma	Hatakeyama	Toyoshi	Harada
								Outside	Outside		Outside	Outside
Expertise in corporate management	Overall corporate management	●	●				●	●	●			
	Accounting / Finance	●	●		●		●	●	●		●	
	Law / Compliance					●	●	●			●	●
	Administration (including medical and pharmaceutical affairs)	●		●			●			●		
	Sustainability	●	●				●		●			●
	IT / DX (Development)	●		●	●							
	Management monitoring/feedback								●	●		●
Knowledge of the Group's business	Dispensing pharmacy	●		●	●			●		●		
	Pharmaceutical manufacturing	●			●		●					
	Temporary staffing / Placement	●			●			●			●	
	M&A / Pharmacy strategy	●	●		●			●		●	●	
	Risk management / Compliance	●		●	●	●	●	●		●	●	●

Proposal 3: Election of One Substitute Director Who Is an Audit & Supervisory Committee Member

In order to prepare for cases where a vacancy results in a shortfall in the number of Directors who are Audit & Supervisory Committee members prescribed by laws and regulations, the Company proposes the election of one Substitute Director who is an Audit & Supervisory Committee member.

Furthermore, only before Ms. Kaori Matsubara assumes office, the Board of Directors may, by its resolution upon approval of the Audit & Supervisory Committee, cancel the resolution of this proposal.

Additionally, the Audit & Supervisory Committee has previously given its approval to this proposal.

The candidate for a Substitute Director who is an Audit & Supervisory Committee member is as follows:

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
Kaori Matsubara (November 6, 1982)	December 2008 Registered as attorney (Dai-ichi Tokyo Bar Association) December 2008 Joined Tanabe & Partners February 2013 Joined Legal Training and Research Institute of the Supreme Court (civil affairs) January 2018 Partner of Tanabe & Partners (to present)	0
[Significant concurrent positions] Attorney Partner of Tanabe & Partners		
[Reason for nomination as candidate for Substitute Outside Director who is an Audit & Supervisory Committee member and a summary of expected roles] Although she has not been directly involved in corporate management, the Company expects Ms. Kaori Matsubara to utilize her extensive experience and deep insight as an attorney in the Company's management. Accordingly, the Company has nominated her as a candidate for Substitute Outside Director who is an Audit & Supervisory Committee member.		

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. "Number of shares of the Company held" is the number of shares as of March 31, 2023.
 3. Ms. Kaori Matsubara is a candidate for Substitute Outside Director who is an Audit & Supervisory Committee member. She meets the requirements for an independent director as specified by Tokyo Stock Exchange, Inc. If Ms. Kaori Matsubara is elected as Outside Director who is an Audit & Supervisory Committee member, the Company plans to register her as an independent director.
 4. If Ms. Kaori Matsubara assumes the office of Outside Director who is an Audit & Supervisory Committee member, the Company plans to enter into a liability limitation agreement, in accordance with the Company's Articles of Incorporation, to limit her liability for damages to the amount stipulated by laws and regulations.
 5. The Company does not plan to enter into an indemnification agreement with Ms. Kaori Matsubara regarding expenses as stipulated in Article 430-2, Paragraph 1, Item 1 of the Companies Act or losses as stipulated in Item 2 of the said Paragraph.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers compensation for damages and litigation expenses that an individual insured person incurs in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured in his/her capacity as such. If Ms. Kaori Matsubara assumes the office of Outside Director who is an Audit & Supervisory Committee member, she will become the insured person under the insurance contract.

Proposal 4: Payment of Bonuses to Directors

In order to reward contributions to the business performance for the fiscal year under review, taking into consideration the profit for the fiscal year under review, previous amounts of bonuses to directors, and various other factors, the Company proposes to pay a bonus of a total amount of 36.34 million yen for the seven Directors, excluding Audit & Supervisory Committee members and Outside Directors, serving at the end of the fiscal year under review.

Furthermore, the Company proposes that the amount to be paid to each Director, the timing of payment, and other matters be left to the determination of the Board of Directors.

The content of this proposal is to pay a bonus for Directors in charge of business execution as performance-linked remuneration in order to raise their motivation to contribute to the improvement of business performance for each business year, in line with the Decision-making Policy Pertaining to the Contents of Individual Remuneration, etc. for Directors established by the Company (For its outline, please refer to the Japanese version of Business Report “2. Status of the Company, (3) Status of Company Officers, iv) Remuneration, etc. of Directors Pertaining to the Fiscal Year). As the Company has received a report from the Nomination and Compensation Committee, whose majority of members is Independent Outside Directors, that it has deemed the proposal appropriate upon a multifaceted examination, the Company believes the proposal is reasonable.