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July 17, 2025

To whom it may concern

Company name: KUSURI NO AOKI HOLDINGS CO., LTD.
Name of Representative Director and President: Hironori Aoki
representative: (Securities Code: 3549, TSE Prime)
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Notice Concerning the Opinion of the Company's Board of Directors on Proposals to be Submitted and Shareholder Proposals for the Ordinary General Meeting of Shareholders

KUSURI NO AOKI HOLDINGS CO., LTD. (the "Company") received a document (the "Shareholder Proposal Document") from OASIS INVESTMENTS II MASTER FUND LTD. and OASIS JAPAN STRATEGIC FUND LTD. (the "Proposing Shareholders"), which are shareholders of the Company, stating that they will make a shareholder proposal (the "Shareholder Proposal") regarding the objectives of the 27th Ordinary General Meeting of Shareholders to be held in August 2025 (the "Ordinary General Meeting of Shareholders"). The Company hereby announces that at the Board of Directors meeting held today, the Board of Directors, as a result of serious consideration of the Company proposals (Proposal No. 1 through Proposal No. 2) and the shareholder proposal, resolved to oppose the Shareholder Proposal.

1. Proposing Shareholders

OASIS INVESTMENTS II MASTER FUND LTD.
OASIS JAPAN STRATEGIC FUND LTD.

2. Proposals to be submitted for the Ordinary General Meeting of Shareholders

<Company Proposals>

Proposal No. 1: Election of eleven (11) Directors

Proposal No. 2: Election of one (1) substitute Audit & Supervisory Board Member

* Please refer to Annex 1 for reference information regarding Company Proposal No. 1.

3. Content of the Shareholder Proposal

<Shareholder Proposal>

Proposal No. 3: Dismissal of two (2) Directors

* For the outline of and reasons for each proposal in the Shareholder Proposal, please refer to Annex 2, which presents the relevant statements in the Shareholder Proposal Document received from the Proposing Shareholders in their original form without modification.

4. Opinion of the Company's Board of Directors on the Shareholder Proposal

Topic No. 1: Dismissal of two (2) Directors

(1) Opinion of the Company's Board of Directors

The Board of Directors opposes the Shareholder Proposal.

(2) Reason for opposing

The reason for the submission of the Shareholder Proposal is related to the procedures for issuing of and the exercise of rights regarding stock options with consideration as resolved at the Company's Board of Directors Meeting dated January 9, 2020. However, as stated in the "Notice Concerning the Opinion of the Company's Board of Directors on Proposals to be Submitted and Shareholder Proposals for the Ordinary General Meeting of Shareholders" dated July 18, 2024, the Company's Board of Directors has determined that Hironori Aoki, Representative Director of the Company, and Takanori Aoki, Director of the Company (the "Directors in Question") did not distort the governance of the Company and cause material damage to the Company. Therefore, the Company believes that the assertions by the Proposing Shareholders are unfounded and cannot serve as a reason or basis for dismissal of the Directors in Question.

In addition, the Company achieved net sales of 501,470 million yen and ordinary profit of 27,513 million yen for the fiscal year ended May 2025, achieving the Company's Third Medium-Term Management Plan target of "net sales of 500 billion yen for the fiscal year ending May 2026" one year ahead of schedule and further increasing its corporate value. This early achievement of the medium-term target is a result of the strong leadership demonstrated and prompt execution of duties by the Directors in Question, and the Company's Board of Directors has determined that the Directors in Question are essential assets for realizing further development and continuous growth of the Company in the future. For these reasons, the Company opposes the Shareholder Proposal.

The term of office of a Director of the Company is stipulated as "Until the conclusion of the ordinary shareholder's meeting for the last business year which ends within one year from the time of election" under the Articles of Incorporation of the Company. Accordingly, the terms of office of the Directors will expire at the conclusion of the Company's Ordinary General Meeting of Shareholders to be held on August 19, 2025. The Proposing Shareholders are able to express their intention not to reelect the Directors in Question as Directors by casting votes against the proposal concerning the reelection of the Directors in Question included in Proposal No. 1 proposed by the Company. Therefore, it should be noted that no substantive basis is recognized for separate dismissal.

(Annex 1)

[Reference]

The structure and skill matrix of directors after the 27 Ordinary General Meeting of Shareholders are planned to be as follows.

(Directors)

Senior Advisor and Director	Yasutoshi Aoki
Representative Director and President	Hironori Aoki
Executive Vice President and Director	Takanori Aoki
Managing Director	Hitoshi Iijima
Director	Ryoichi Yahata
Director (Outside)	Motoya Okada
Director (Outside)	Naoki Yanagida
Director (Outside)	Yoshiko Inoue
Director (Outside)	Hiromitsu Fujii
Director (Outside)	Toshiaki Takeuchi
Director (Outside)	Reiko Kinoshita

(Skill Matrix)

Category	Name	Title	Specialization				
			Corporate management and business strategy	Business knowledge and merchandise	Human capital and human resource development	Finance and accounting	Legal and risk management
Director	Yasutoshi Aoki	Senior Advisor and Director	●	●	●		
	Hironori Aoki	Representative Director and President	●	●	●		
	Takanori Aoki	Executive Vice President and Director	●	●		●	
	Hitoshi Iijima	Managing Director		●	●		
	Ryoichi Yahata	Director		●		●	●
	Motoya Okada	Outside Director	●	●			
	Naoki Yanagida	Outside Director			●		●
	Yoshiko Inoue	Outside Director	●		●		
	Hiromitsu Fujii	Outside Director	●	●			
	Toshiaki Takeuchi	Outside Director	●	●			●
	Reiko Kinoshita	Outside Director	●		●	●	

(Annex 2)

The relevant statements in the Shareholder Proposal Document received from the Proposing Shareholders are presented in their original form without modification.

June 19, 2025

Mr. Hironori Aoki
Representative Director and President
CC: Board of directors
Kusuri No Aoki Holdings Co., Ltd.
2512 Matsumotomachi, Hakusan-shi, Ishikawa-ken, 924-0057, Japan

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OASIS INVESTMENTS II MASTER FUND LTD.

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OASIS JAPAN STRATEGIC FUND LTD.

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Shareholder Proposal

We, as attorneys-at-law acting for and on behalf of OASIS INVESTMENTS II MASTER FUND LTD. and OASIS JAPAN STRATEGIC FUND LTD. (collectively “**Oasis**”), hereby provide notice of the following:

Oasis, as a shareholder who has continuously held more than 300 voting rights of Kusuri No Aoki Holdings Co., Ltd. (the “**Company**”) for six months, proposes the agenda item described in Section I below (the “**Agenda Item**”) for the agenda at the 27th Annual General Meeting of Shareholders of the Company (the “**AGM**”) scheduled to be held in August 2025 in accordance with Article 303, Paragraph 2 of the Companies Act, and renders the outlines and reasons for the proposals as described in Section II below. Oasis requests the Company to take measures for the electronic provision of the outlines and reasons for those proposals in accordance with Article 303, Paragraph 2, Article 305, Paragraph 1, Article 325-3, Paragraph 1, Item 4, and Article 325-4, Paragraph 4 of the Companies Act, and Article 93 of the Ordinance for Enforcement of the Companies Act.

I. Proposed Agenda Item

Agenda Item 1: Dismissal of two (2) Directors

II. Outline of the proposals and reasons for the proposals

1. Agenda Item 1: Dismissal of two (2) Directors

The reasons applicable in common to each of the two proposals falling within Agenda Item 1 above are as follows:

Taking into account that the Company’s Stock Handling Rules require that reasons provided for each proposal must not exceed 400 characters in Japanese, we have drafted the reasons for the two proposals in Agenda Item 1 using less than 800 characters in Japanese.

The proposing shareholders (“**Oasis**”) have consistently raised the point that the issuance of the stock options granted in January 2020 (the “**SO**”) to only two individuals, Mr. Hironori Aoki and Mr. Takanori Aoki, was made without proper verification of the option valuation, resulting in excessive damage to the Company.

In fact, through a petition submitted by Oasis for permission to inspect and make copies of meeting minutes, etc., it has come to light that the process of determining the option value was a black box and decisions were made based on misunderstanding of the methods used to assess option value. In response, Oasis filed a shareholder derivative lawsuit in July 2024 seeking compensation for the huge damages incurred by the Company through the issuance of the SO, and holding Hironori, Takanori, and Mr. Ryoichi Yahata liable for their actions. Furthermore, prior to last year's shareholders' meeting, we requested that: (1) objective materials (e.g., valuation report and relevant meeting minutes) be disclosed to allow shareholders to independently assess the validity of the decision-making process regarding the issuance of the SO, and (2) the Aoki brothers refrain from exercising the SO until a court ruling is issued.

However, the Aoki brothers immediately exercised their SO after last year's shareholders' meeting acquiring a combined total of approximately 11% of the voting rights. Amid numerous issues raised regarding the decision-making process for issuing the SO, the Aoki brothers' decision to go ahead with exercising their SO without waiting for the court's ruling, thereby increasing the influence of the founding family over the Company, further distorts the Company's governance.

Furthermore, through shareholder derivative lawsuit it has become clear that there is a high likelihood that the valuation of the SO was improperly reduced based on the extremely unreasonable premise that there is no correlation between performance (ordinary profit) and stock price. Under such circumstances, if there are no genuine issues in the decision-making process, shareholders should be given the opportunity to verify this through the disclosure of valuation report, and meeting minutes, etc. However, such disclosure has not been made. This is believed to be due to the continued exercise of influence by Aoki brothers as directors of the Company.

Therefore, Oasis hereby proposes the dismissal of Aoki brothers in light of the seriousness of the responsibility of them.

(1) Proposal 1

(A) Summary

Dismissal of Director Mr. Hironori Aoki

(B) Reasoning

As given above

(2) Proposal 2

(A) Summary

Dismissal of Director Mr. Takanori Aoki

(B) Reasoning

As given above