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Securities code: 9267

August 22, 2023

(Start date of the measures for electronic provision: August 15, 2023)

To Shareholders with Voting Rights:

Kenichi Fujinaga
President
Genky DrugStores Co., Ltd.
38-33 Shimokumeda, Maruoka-cho,
Sakai, Fukui Prefecture, Japan

**NOTICE OF
THE 6th 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 6th Annual General Meeting of Shareholders of Genky DrugStores Co., Ltd. (the “Company”) will be held 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 in the “NOTICE OF THE 6th ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the following website:

The Company’s website (available only in Japanese):

<http://www.genkydrugstores.co.jp>

(Please access the website above, select IR Information, and view the NOTICE OF THE 6th ANNUAL GENERAL MEETING OF SHAREHOLDERS.)

In addition to the above, the matters to be provided electronically are disclosed on the following website.

Tokyo Stock Exchange’s website (Listed Company Search):

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

(Please access Tokyo Stock Exchange’s website above, enter “Genky Drugstores” in “Issue name (company name)” or the Company’s securities code (9267) in “Code” and click on the Search button, and select “Basic information” and then “Document for public inspection/PR information.” “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” can be found under the “Field information available for public inspection.”)

If you are unable to attend the meeting in person, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, and indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us no later than 5:30 p.m. on Wednesday, September 6, 2023.

- 1. Date and Time:** Thursday, September 7, 2023 at 10:00 a.m. Japan time
(Reception opens at 9:30 a.m.)
- 2. Place:** Special Conference Room on the 3rd floor, Fukui International Activities Plaza
3-1-1 Hoei, Fukui-shi, Fukui, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 6th Fiscal Year (June 21, 2022 – June 20, 2023) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 6th Fiscal Year (June 21, 2022 – June 20, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 4:** Issuance of Stock Acquisition Rights as Stock Options

4. Matters determined by the Company

If neither approval nor disapproval of a proposal is indicated in the Voting Rights Exercise Form, it shall be deemed a vote of approval.

The Company will not be presenting shareholders attending the Annual General Meeting of Shareholders with souvenir gifts again this year. Your understanding is appreciated.

- If attending in person, please bring the enclosed Voting Rights Exercise Form with you and submit it to reception. Please also bring this notice with you as the meeting material.
- Should the matters provided electronically require revisions, such revisions will be posted on relevant websites.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The year-end dividend for the 6th Fiscal Year will be as follows, taking into consideration the business results for the current fiscal year and future business development.

1. Type of dividend property

Cash

2. Allocation of dividend property and total amount thereof

The Company proposes to allocate 12.50 yen per share of common stock of the Company.

In this case, the total amount of dividends will be 189,799,625 yen.

3. Effective date of distribution of surplus

The Company proposes an effective date of September 8, 2023.

Proposal 2: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply throughout this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. The Company therefore proposes the election of four (4) Directors.

The candidates for Director are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kenichi Fujinaga (October 20, 1962)	<p>April 1988 Established Genky Tsukushino Store as a sole proprietor</p> <p>September 1990 Established Genky Stores, Inc.; appointed President (current position)</p> <p>April 1999 Established Fujinaga International Capitals; appointed President</p> <p>December 2006 Established Genky Net Co., Ltd.; appointed Representative Director</p> <p>September 2008 Appointed Director, Genky Net Co., Ltd</p> <p>December 2017 Appointed President, the Company (current position)</p>	366,712
2	Nobuhiro Yoshioka (November 20, 1968)	<p>November 1992 Joined American Life Insurance Company</p> <p>May 1995 Joined Genky Stores, Inc.</p> <p>August 1995 Manager, Koyo Store, Genky Stores, Inc.</p> <p>March 1998 Area Manager, Genky Stores, Inc.</p> <p>June 1999 General Manager, Merchandise Division, Genky Stores, Inc.</p> <p>July 2000 Manager, Public Relations Office, Genky Stores, Inc.</p> <p>September 2000 Appointed Director, Genky Stores, Inc.</p> <p>December 2000 General Manager, Drugstore Operations Division, Genky Stores, Inc.</p> <p>August 2001 Manager, President's Secretariat, Genky Stores, Inc.</p> <p>January 2003 General Manager, Store Operations Division, Genky Stores, Inc.</p> <p>October 2004 General Manager, General Administration Division, Genky Stores, Inc.</p> <p>August 2006 General Manager, Store Operations Division, Genky Stores, Inc.</p> <p>April 2009 Appointed Vice President, Genky Stores, Inc. (current position)</p> <p>January 2013 General Manager, IE Department, Genky Stores, Inc.</p> <p>August 2017 General Manager, Sales Department, Genky Stores, Inc.</p> <p>December 2017 Appointed Vice President, Responsible for IT, the Company</p> <p>August 2018 Vice President, Responsible for IT and Store Operations, the Company</p> <p>August 2018 General Manager, Sales Department and General Manager, Store Operations Division, Genky Stores, Inc.</p> <p>January 2019 Vice President, Responsible for IE, the Company</p> <p>January 2019 General Manager, IE Department and General Manager, CPUSE Division, Genky Stores, Inc.</p> <p>July 2019 Vice President, Responsible for Merchandise, the Company (current position)</p> <p>July 2019 General Manager, Merchandise Department, Genky Stores, Inc. (current position)</p>	49,600

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Hiroyuki Yamagata (January 26, 1972)	September 1996 Joined Nextor Inc. December 1998 Joined Genky Stores, Inc. August 1999 Manager, Kizaki Store, Genky Stores, Inc. March 2000 Manager, General Affairs Section, General Administration Division, Genky Stores, Inc. June 2001 Zone Manager, Genky Stores, Inc. January 2003 Tokai Area Manager, Genky Stores, Inc. August 2005 General Manager, Store Development Division, Genky Stores, Inc. September 2005 Appointed Director, Genky Stores, Inc. (current position) February 2006 Manager, New Store Preparation Office, Genky Stores, Inc. August 2006 General Manager, General Administration Division, Genky Stores, Inc. April 2008 General Manager, Management Department, Genky Stores, Inc. June 2011 General Manager, Store Development Division, Genky Stores, Inc. January 2013 General Manager, Store Development Department, Genky Stores, Inc. September 2014 General Manager, Store Operations Division, Genky Stores, Inc. December 2017 Director, Responsible for Store Operations, the Company August 2018 Director, Responsible for Store Development, the Company (current position) August 2018 General Manager, Store Development Division, Genky Stores, Inc. May 2019 General Manager, Store Development Department, Genky Stores, Inc. (current position) October 2022 Appointed Representative Director and President, Genky Real Estate, Inc. (current position)	42,000
4	Yuji Kobayashi (September 21, 1979)	April 2002 Joined Genky Stores, Inc. October 2004 Manager, Nonoichi Store, Genky Stores, Inc. September 2008 General Manager, Cosmetics Business Unit, Genky Stores, Inc. January 2014 Chief Merchandiser, Merchandise Division, Genky Stores, Inc. April 2015 Entered Waseda Business School (MBA) May 2017 General Manager, Food Products Division, Merchandising Division, Merchandise Division, Genky Stores, Inc. January 2018 Executive Officer and General Manager, Human Resources Department, the Company (current position) January 2018 Executive Officer and General Manager, Human Resources Department, Genky Stores, Inc. (current position) September 2020 Appointed Director, the Company (current position) September 2020 Appointed Director, Genky Stores, Inc. (current position)	7,635

Note: There are no special interests between each of the candidates and the Company.

Proposal 3: Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. The Company therefore proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has provided its consent to this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Nana Kikkawa (July 7, 1970) New appointment	April 1995 Appointed Assistant Judge, Tokyo District Court April 1997 Assistant Judge, Asahikawa District Court April 2000 Assistant Judge, Tokyo District Court April 2004 Assistant Judge, Hachioji Branch, Tokyo Family Court April 2005 Judge, Hachioji Branch, Tokyo District Court April 2006 Registered as Attorney, Fukui Bar Association Started working at Sugihara & Kikkawa Law Office (current position)	—
2	Tomoyo Sasaki (Married name: Ugaji) (February 22, 1969) New appointment	April 1991 Joined Nippon Life Insurance Company September 1997 Joined Sasaki Koichi Tax Accountant Office November 1997 Registered as Labor and Social Security Attorney March 2000 Registered as Tax Accountant July 2013 Established Sasaki Tomoyo Tax Accountant Office (current position) January 2022 Registered as Certified Administrative Procedures Legal Specialist	—
3	Miho Takeda (January, 2, 1969) New appointment	April 1995 Joined MITANI Fudosan Co., Ltd. June 2018 Executive Officer Responsible for Rental Property Management and Sales Department, MITANI Fudosan Co., Ltd. May 2019 Appointed Director,, MITANI Fudosan Co., Ltd. (current position)	—

- Notes:
1. There are no special interests between each of the candidates for Director who is an Audit and Supervisory Committee Member and the Company.
 2. Ms. Nana Kikkawa, Ms. Tomoyo Sasaki, and Ms. Miho Takeda are candidates for Outside Director of the Company.
 3. Ms. Nana Kikkawa has never been involved in company management other than as an Outside Officer but has a wealth of experience and extensive legal knowledge as an attorney. Therefore, she is expected to provide appropriate recommendations on the validity and properness of the Company's decisions on business execution. For this reason, the Company has nominated her as a candidate for Outside Director.
 4. Ms. Tomoyo Sasaki has never been involved in company management but has expert knowledge of finance, accounting, and taxation and a wealth of experience as a tax accountant. Therefore, she is expected to provide appropriate recommendations on the validity and properness of the Company's decisions on business execution. For this reason, the Company has nominated her as a candidate for Outside Director.
 5. Ms. Miho Takeda has held key positions at MITANI Fudosan Co., Ltd. and has a wealth of experience and extensive knowledge fostered throughout her career. Therefore, she is expected to provide appropriate recommendations on the validity and properness of the Company's

decisions on business execution. For this reason, the Company has nominated her as a candidate for Outside Director.

6. If this proposal is approved as originally proposed, the Company will enter into an agreement with Ms. Nana Kikkawa, Ms. Tomoyo Sasaki, and Ms. Miho Takeda to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under the said agreement is the minimum amount of liability stipulated by laws and regulations.
7. If this proposal is approved as originally proposed, Ms. Nana Kikkawa, Ms. Tomoyo Sasaki, and Ms. Miho Takeda will be registered as Independent Officers as set forth in the rules of Tokyo Stock Exchange, Inc.
8. Due to marriage, Ms. Tomoyo Sasaki now has the legal surname of Ugaji but uses her maiden name of Sasaki to conduct her business as an attorney, etc.

Directors Skills Matrix

To establish an effective corporate governance structure for sustainable growth, the Company elects Directors who possess extensive business experience and a diverse range of advanced specializations and knowledge. Should Proposals 2 and 3 be approved as proposed, the composition of the Company's Directors and their experience and specializations will be as follows.

	Kenichi Fujinaga	Nobuhiro Yoshioka	Hiroyuki Yamagata	Yuji Kobayashi	Nana Kikkawa	Tomoyo Sasaki	Miho Takeda
	President	Vice President	Director	Director	Outside Director	Outside Director	Outside Director
	—	Responsible for Merchandise	Responsible for Store Development	General Manager, Human Resources Department	Audit and Supervisory Committee Member	Audit and Supervisory Committee Member	Audit and Supervisory Committee Member
Corporate management	●						
Industry knowledge	●	●	●				
Legal affairs / risk management		●		●	●	●	●
Governance	●	●	●		●		●
Finance / accounting				●	●	●	
Human resources / labor management				●		●	
Real estate			●				●

Note: Up to three major skills are indicated for each individual.

Proposal 4: Issuance of Stock Acquisition Rights as Stock Options

Pursuant to the provisions of Articles 236, 238, and 239 of the Companies Act, the Company seeks approval to issue stock acquisition rights as stock options on particularly advantageous terms for the Company's Internal Directors and employees of the Company, and Directors and employees of the Company's subsidiaries, as described in the summary below, and to entrust the decisions on matters concerning offerings for stock acquisition rights to the Board of Directors.

In addition, because the issuing of stock acquisition rights to Internal Directors will fall under non-monetary compensation and the amount is not established, the Company requests approval of the calculation methods for the allotment of stock acquisition rights as compensation.

Four (4) Internal Directors of the Company will receive allotments if Proposal 2 is approved. The number of stock acquisition rights to be allotted to the Company's Internal Directors) will be limited to 500.

1. Reason why it is necessary to conduct offerings of stock acquisition rights on particularly advantageous terms

Stock acquisition rights will be issued for the purposes of providing added motivation and morale to improve the Company's consolidated business performance and of contributing to the expansion of business operations.

In addition, stock acquisition rights will be granted to the Company's Internal Directors for the purpose of stock options, which the Company believes is reasonable as compensation, etc. for Directors.

2. Persons subject to allotment of stock acquisition rights

Internal Directors and employees of the Company, and Directors and employees of the Company's subsidiaries

3. Details of stock acquisition rights for which decisions may be entrusted to the Board of Directors by resolution of this Annual General Meeting of Shareholders and the upper limit on their number

- (1) Class and number of shares to be allocated upon exercise of stock acquisition rights

The upper limit will be 150,000 shares of common stock in the Company.

In the event that the Company conducts a stock split or stock consolidation, the number of shares to be allocated will be adjusted based on the following formula. However, such an adjustment shall be made only to the number of shares to be allocated upon exercise of the stock acquisition rights that have not been exercised at the time of the stock split or stock consolidation, and any fraction resulting from the adjustment of less than one share shall be rounded down.

$$\text{Number of shares after adjustment} = \frac{\text{Number of shares before adjustment}}{\text{Ratio of stock split or stock consolidation}} \times$$

In addition, in the event an adjustment of the number of shares to be allocated upon exercise of the stock acquisition rights is required, such as if the Company conducts a reduction of capital, the Company will make the necessary adjustment of the number of shares and any fraction of less than one share resulting from the adjustment shall be rounded down.

- (2) Total number of stock acquisition rights to be issued

The upper limit shall be 1,500 stock acquisition rights. The number of shares to be allocated upon exercise of each stock acquisition right ("Number of Shares Granted" hereinafter) shall be 100 shares.

However, in the event that an adjustment is made to the number of shares as set forth in (1) above, the same adjustment will be made to the Number of Shares Granted, and any fraction of less than one share resulting from the adjustment shall be rounded down.

(3) Value of assets to be invested upon exercise of new stock acquisition rights

The value of assets to be invested upon the exercise of each stock acquisition right shall be the paid-in amount per share to be issued or transferred through the exercise of the stock acquisition right (“Exercise Value” hereinafter), multiplied by the Number of Shares Granted.

The Exercise Value shall be the amount obtained by multiplying by 1.05 the average of the closing prices for ordinary transactions of the shares of common stock of the Company on the Tokyo Stock Exchange (“Closing Price” hereinafter) on each day (excluding days in which no transactions were completed) of the month prior to the month of the day in which the stock acquisition rights are to be issued (“Issue Date” hereinafter), and any fraction of less than 1 yen resulting from the adjustment will be rounded up. However, if this amount is less than the Closing Price on the Issue Date, the Issue Date’s Closing Price will be the Exercise Value.

In the event that the Company conducts a stock split or stock consolidation, the Exercise Value will be adjusted based on the following formula, and any fraction of less than 1 yen resulting from the adjustment will be rounded up.

$$\text{Exercise Value after adjustment} = \text{Exercise Value before adjustment} \times \frac{1}{\text{Ratio of stock split or stock consolidation}}$$

In the event that new shares of the Company’s common stock are issued, or treasury stocks are disposed of at a price lower than market value, the Exercise Value will be adjusted based on the following formula, and any fraction of less than 1 yen resulting from the adjustment will be rounded up. However, in the event of the exercise of stock acquisition rights, the Exercise Value will not be adjusted.

$$\text{Exercise Value after adjustment} = \text{Exercise Value before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of new shares issued} \times \text{Paid-in amount per share}}{\text{Market value per share}}}{\text{Number of shares already issued} + \text{Number of new shares issued}}$$

“Number of shares already issued” in the above number of shares refers to the total number of issued shares of the Company minus treasury stock held by the Company. In the event of a disposal of treasury stock, “number of new shares issued” will be replaced with “number of treasury stock for disposal.”

In the event that an adjustment of the Exercise Value is required, such as if the Company conducts a reduction of capital, the Company will make the adjustment of the Exercise Value that it recognizes as necessary, and any fraction of less than 1 yen resulting from the adjustment will be rounded up.

(4) Period of exercise of stock acquisition rights

This shall be a period determined by the Company’s Board of Directors within the range of five (5) years from the date that two (2) years have elapsed since the date of resolution of the Board of Directors deciding on an offering of stock acquisition rights.

(5) Exercise conditions of stock acquisition rights

- i. The holders of these stock acquisition rights must hold the position of Internal Director and an employee of the Company, or Director and an employee of a Company's subsidiary at the time of exercising these stock acquisition rights. However, in the event that the holder of the stock acquisition rights steps down from a position due to expiry of term of office or resigns due to reaching retirement age, or the Company recognizes that there is another valid reason, the holder may continue to exercise the stock acquisition rights.
- ii. In the event that the holder of these stock acquisition rights dies and consequently loses the position of Internal Director and an employee of the Company, or Director and an employee of a Company's subsidiary, the right holder's heirs may exercise these stock acquisition rights.

(6) Conditions for acquisition of stock acquisition rights

In the event that the Company's General Meeting of Shareholders approves (or the Board of Directors approves where the approval of the General Meeting of Shareholders is not required) a merger agreement under which the Company shall become defunct, a company split plan or company split agreement in which the Company shall be split, or a stock exchange agreement or stock transfer plan in which the Company shall become a wholly owned subsidiary, the Company may acquire the stock acquisition rights without compensation on a date separately prescribed by the Board of Directors.

(7) Approval of acquisition of stock acquisition rights

Acquisition of stock acquisition rights via transfer shall require the approval of the Board of Directors of the Company.

(8) Matters concerning increase in stated capital and capital reserve in the case of issuance of shares through the exercise of stock acquisition rights

When new shares are issued through the exercise of stock acquisition rights, the amount of capital increase shall be the amount obtained by multiplying by 0.5 the maximum amount of increase in stated capital calculated in accordance with Article 17, Paragraph 1 of the Regulation on Corporate Accounting (fractions of less than 1 yen shall be rounded up). Amounts that are not recorded as stated capital shall become capital reserve.

4. There shall be no paid-in cash requirement for stock acquisition rights for which decisions on matters concerning offerings may be entrusted to the Board of Directors by resolution of this Annual General Meeting of Shareholders.

5. Method of calculation of fair value of stock acquisition rights

The fair value of stock acquisition rights shall be calculated using the Black-Scholes Model based on various conditions on the date of allotment.

6. Reasons why the granting of stock acquisition rights is reasonable

For the purposes, etc. for which the Company will issue stock acquisition rights, please refer to "1. Reason why it is necessary to conduct offerings of stock acquisition rights on particularly advantageous terms" above.

At the meetings held on January 20, 2021, based on a voluntary report by the Compensation Committee, the Board of Directors and Audit and Supervisory Committee resolved on a policy regarding decisions related to the content of compensation, etc. for individual directors, an outline of which appears in the Business Report. The granting of stock acquisition rights based on this proposal aligns with this policy, and the Company does not intend to change said policy even in the event that this proposal is approved.

In addition, because the shares to be issued by the exercise of these stock acquisition rights will account for no more than 0.99% of total issued shares and the dilution rate is slight, the Company has judged that the granting of these stock acquisition rights is reasonable.