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(Stock Exchange Code 8276)

April 24, 2024

(Start date of Measures for Electronic Provision: April 18, 2024)

**To Shareholders with Voting Rights:**

Masashi Hiramatsu  
Representative Director, Executive  
President, and CEO  
HEIWADO CO., LTD.  
1 Nishiima-cho, Hikone-shi, Shiga,  
Japan

**NOTICE OF  
THE 67TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We extend our heartfelt sympathy to those who have been affected by the 2024 Noto Peninsula Earthquake and pray for a swift recovery of the impacted area.

Please be informed that the 67th Annual General Meeting of Shareholders of HEIWADO CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders (Matters Regarding Measures for Electronic Provision) electronically. Please access the Company’s website below to view this information.

The Company’s website  
<https://www.heiwado.jp/ir/meeting>

In addition to the above website, the Company has also disclosed “Matters Regarding Measures for Electronic Provision” on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (TSE Listed Company Search), enter the issue name (company name) or the stock exchange code, click on “Search,” select “Basic information,” and then select “Documents for public inspection/PR information.”

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

Furthermore, you can exercise your voting rights in writing or via the internet instead of attending the meeting in person. Please read the Reference Documents for the General Meeting of Shareholders listed under “Matters Regarding Measures for Electronic Provision” and exercise your voting rights by following the Instructions for the Exercise of Voting Rights (pages 4 and 5 of the Japanese original), no later than 6:00 p.m. on Wednesday, May 15, 2024, Japan time.

\*The Company will not provide any gifts to attendees of the General Meeting of Shareholders. Thank you for your understanding.

- 1. Date and Time:** Thursday, May 16, 2024 at 10:00 a.m., Japan time
- 2. Place:** HATOC Hall, 3F of the Head Office of HEIWADO CO., LTD. located at 1 Nishiima-cho, Hikone-shi, Shiga, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 67th Fiscal Year (February 21, 2023 - February 20, 2024), and 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 67th Fiscal Year (February 21, 2023 - February 20, 2024)

**Proposals to be resolved:**

- Proposal 1:** Disposition of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Seven Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)
- Proposal 4:** Election of Three Directors Who Are Members of the Audit and Supervisory Committee
- Proposal 5:** Election of One Substitute Director Who Is a Member of the Audit and Supervisory Committee
- Proposal 6:** Determination of the Remuneration for Granting Share Remuneration to Directors Excluding Directors Who Are Members of the Audit and Supervisory Committee

**4. Decisions Regarding this Convocation**

- (1) The following matters are not included in the paper copy to be sent to shareholders who have requested it, pursuant to the provisions of laws and regulations and Article 16, Paragraph 2 of the Company's Articles of Incorporation. Accordingly, this paper copy is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Report.
  - (i) Consolidated Statement of Changes in Shareholders' Equity and Notes to the Consolidated Financial Statements of the consolidated financial statements
  - (ii) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to the Non-consolidated Financial Statements of the non-consolidated financial statements
- (2) If you exercise your voting rights both via the Voting Rights Exercise Form and via the internet, the vote cast via the internet shall be deemed valid. In addition, if you exercise your voting rights multiple times via the internet, the last vote you cast shall be deemed valid.
- (3) If you do not indicate your approval or disapproval of each agenda item on the returned Voting Rights Exercise Form, we will assume that you have indicated your approval.

- Notes:
1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. In the event of any modifications to the "Matters Regarding Measures for Electronic Provision," the Company will post the modifications on the respective websites.
  3. If you require special accommodation at the venue, please call the number presented in the General Meeting of Shareholders Venue Guide Map provided at the end of this document by Wednesday, May 8, 2024 to allow for preparation.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Disposition of Surplus

The Company aims to fulfill shareholders' expectations even in the current severe business environment surrounding the Company, while paying attention to securing internal reserves to strengthen corporate structure. As a result, the Company proposes year-end dividends and other disposition of surplus as follows:

1. Items related to year-end dividends

(1) Type of dividend property:

Cash

(2) Items related to the allocation of dividend property and its total amount:

The Company proposes a year-end dividend of 23 yen per share of its common stock (a total of 42 yen including the interim dividend of 19 yen per share).

Accordingly, the total amount distributed will be 1,206,307,036 yen.

(3) Date the distribution of surplus comes into effect:

May 17, 2024

2. Items related to other disposition of surplus

(1) Item and amount of surplus to increase

General reserve: 2,500,000,000 yen

(2) Item and amount of surplus to decrease

Retained earnings brought forward: 2,500,000,000 yen

**Proposal 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the amendments

- (1) Due to the expansion of the scope of its businesses, the Company proposes to add business objectives to Article 2 (Purpose) of the current Articles of Incorporation.
- (2) In order to rationalize in accordance with its current situation, the Company proposes to make amendments to the provisions of Chapter 3, General Meetings of Shareholders, and Chapter 4, Directors and the Board of Directors.

2. Details of the amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1                      &lt;Provisions omitted&gt;                      (Purpose)                      Article 2 The purpose of the Company is to engage in businesses listed in each of the following items.                      (1)-(6)                      &lt;Provisions omitted&gt;                      &lt;Newly established&gt;                      (7)-(16)                      &lt;Provisions omitted&gt;                      (17) Vehicle transportation business serving general passengers, freight transportation business, delivery business, warehousing business, rental and sale of automobiles and bicycles, and automobile maintenance business                      (18)-(28)                      &lt;Provisions omitted&gt;                      Articles 3-14                      &lt;Provisions omitted&gt;</p>	<p>Article 1                      &lt;Unchanged&gt;                      (Purpose)                      Article 2 &lt;Unchanged&gt;                      (1)-(6)                      &lt;Unchanged&gt;                      (7) <u>Aquaculture</u>                      (8)-(17)                      &lt;Unchanged&gt;                      (18) Vehicle transportation business serving general passengers, freight transportation business, <u>first-class consigned freight forwarding business</u>, delivery business, warehousing business, rental and sale of automobiles and bicycles, and automobile maintenance business                      (19)-(29)                      &lt;Unchanged&gt;                      Articles 3-14                      &lt;Unchanged&gt;</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Convenor and Chairperson)</p> <p>Article 15 Unless otherwise stipulated by laws and regulations, a General Meeting of Shareholders shall be convened by the Director and Chairman or <u>the President</u> based on a resolution of the Board of Directors, who shall also serve as the Chairperson of the Meeting.</p> <p>2. If the Director and Chairman and <u>the President</u> are unable to perform their duties <u>due to unforeseeable circumstances</u>, another Director shall substitute for them following an order predefined by a resolution of the Board of Directors.</p> <p>Articles 16-23 &lt;Provisions omitted&gt;</p>	<p>(Convenor and Chairperson)</p> <p>Article 15 Unless otherwise stipulated by laws and regulations, a General Meeting of Shareholders shall be convened by the Director and Chairman or <u>the Director and President</u> based on a resolution of the Board of Directors, who shall also serve as the Chairperson of the Meeting.</p> <p>2. If the Director and Chairman and <u>the Director and President</u> are unable to perform their duties <u>for some reason</u>, another Director shall substitute for them following an order predefined by a resolution of the Board of Directors.</p> <p>Articles 16-23 &lt;Unchanged&gt;</p>
<p>(Representative Directors)</p> <p>Article 24 <u>The Director and President represents the Company.</u></p> <p>2. <u>In addition to the one mentioned in the preceding paragraph, the Company may select another Director who will represent the Company from among the Directors with titles defined in Paragraph 2 of the previous article by a resolution of the Board of Directors.</u></p>	<p>(Representative Directors)</p> <p>Article 24 <u>The Board of Directors shall select (a) Representative Director(s) from among Directors by its resolution.</u> &lt;Deleted&gt;</p>
<p>(Convenor and Chairperson of a meeting of the Board of Directors)</p> <p>Article 25 A meeting of the Board of Directors shall be convened by <u>the Director and Chairman or the President</u>, who shall also serve as the Chairperson of the meeting.</p> <p>2. If <u>the Director and Chairman and the President</u> are unable to perform their <u>duties due to unforeseeable circumstances</u>, another Director shall substitute for <u>them</u> following an order predefined by a resolution of the Board of Directors.</p>	<p>(Convenor and Chairperson of a meeting of the Board of Directors)</p> <p>Article 25 <u>Unless otherwise stipulated by laws and regulations</u>, a meeting of the Board of Directors shall be convened by <u>a Director appointed by a resolution of the Board of Directors</u>, who shall also serve as the Chairperson of the meeting.</p> <p>2. If <u>the Director who has been appointed in accordance with the preceding paragraph is unable to perform his/her duties for some reason</u>, another Director shall substitute for <u>him/her</u> following an order predefined by a resolution of the Board of Directors.</p>
<p>Articles 26-37 &lt;Provisions omitted&gt;</p>	<p>Articles 26-37 &lt;Unchanged&gt;</p>

**Proposal 3: Election of Seven Directors (Excluding Directors Who Are Members of the Audit and Supervisory Committee)**

The terms of office of seven Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of seven Directors (excluding Directors who are members of the Audit and Supervisory Committee).

The candidates for Director (excluding Directors who are members of the Audit and Supervisory Committee) are as follows:

Candidate No.	Name	Current position and responsibilities at the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Masashi Hiramatsu	Representative Director, Executive President, and CEO	Reelection	100% (14/14)
2	Kohei Natsuhara	Representative Director, Executive Vice President, and COO Senior General Manager of Administration	Reelection	100% (14/14)
3	Yohei Natsuhara	Director and Senior Managing Executive Officer Senior General Manager of Sales Management and Senior General Manager of Sales Strategy	Reelection	100% (14/14)
4	Shigeki Kosugi	Director and Senior Managing Executive Officer Senior General Manager of Development Division	Reelection	100% (14/14)
5	Yoshimichi Hiratsuka	Director and Senior Executive Officer Senior General Manager of Store Sales	Reelection	100% (10/10)
6	Shinichi Ueyama	Outside Director	Reelection Outside Independent	93% (13/14)
7	Yoko Nameki	Outside Director	Reelection Outside Independent	100% (10/10)

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
1	Masashi Hiramatsu (November 19, 1957)	January 2010      Joined the Company May 2010          Managing Director and Assistant to the President; in charge of Corporate Planning Division February 2011    Managing Director; Senior General Manager of Corporate Planning Division February 2012    Managing Director; Senior General Manager of Store Sales February 2013    Managing Director; Senior General Manager of Sales Management May 2015          Senior Managing Director; Senior General Manager of Sales Management May 2017          Representative Director, President, and COO; Senior General Manager of Sales Management May 2020          Representative Director and Executive President; Senior General Manager of Sales Management February 2024    Representative Director, Executive President, and CEO (current position) [Significant concurrent positions] Representative Director and Vice President, Nihon Ryutsu Sangyo Co., Ltd.	3,000
[Reason for nomination as candidate for Director] Having served as Representative Director of the Company from May 2017, following positions including Senior General Manager of Corporate Planning Division, Senior General Manager of Store Sales, and Senior General Manager of Sales Management in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of corporate planning and sales, as well as a wide variety of business experience at other companies. Therefore, the Company has renominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
2	Kohei Natsuhara (September 25, 1973)	September 2001    Joined the Company May 2012            Director; General Manager of SM Sales Division February 2013     Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2014            Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2015            Senior Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management February 2016      Senior Managing Director; Senior General Manager of Corporate Planning Division and General Manager of President's Office February 2017      Senior Managing Director; Senior General Manager of Administration and General Manager of China Office May 2020            Director and Senior Managing Executive Officer; Senior General Manager of Administration and General Manager of China Office February 2022      Director and Senior Managing Executive Officer; Senior General Manager of Administration February 2024      Representative Director, Executive Vice President, and COO; Senior General Manager of Administration and Senior General Manager of Corporate Strategy March 2024         Representative Director, Executive Vice President, and COO; Senior General Manager of Administration (current position)  [Significant concurrent positions] Chairman, Heiwado (China) Co., Ltd. Chairman, Hunan Heiwa Wuye Fazhan Co., Ltd. Representative Member, Natsuhara Shoji LLC Representative Director and President, Peace & Green Co., Ltd.	574,000
[Reason for nomination as candidate for Director] Having served as Senior General Manager of Administration following positions including General Manager of Sales Division, Senior General Manager of Store Sales and Senior General Manager of Corporate Planning Division in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales, corporate planning, and management. Therefore, the Company has renominated him as a candidate for Director.			



Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
3	Yohei Natsuhara (February 18, 1975)	<p>April 2002      Joined the Company</p> <p>May 2012      Director; General Manager of Sales Promotion Division</p> <p>February 2013    Director; General Manager of Sales Promotion Division and Deputy Senior General Manager of Product</p> <p>February 2014    Director; General Manager of Sales Promotion Division and Supervisor of Corporate Strategy Office</p> <p>February 2016    Director; Deputy Senior General Manager of Sales Management and Supervisor, Corporate Strategy Office</p> <p>February 2017    Director; Senior General Manager of Product</p> <p>May 2017        Managing Director; Senior General Manager of Product</p> <p>May 2020        Director and Managing Executive Officer; Senior General Manager of Product</p> <p>February 2021    Director and Managing Executive Officer; Deputy Senior General Manager of Sales Management; and Senior General Manager of Product</p> <p>February 2024    Director and Senior Managing Executive Officer; Senior General Manager of Sales Management; and Senior General Manager of Sales Strategy (current position)</p> <p>[Significant concurrent positions] Representative Director and President, Heiwa Kanko Kaihatsu Co., Ltd.</p>	574,000
		<p>[Reason for nomination as candidate for Director] Having served as General Manager of Sales Promotion Division, Supervisor of Corporate Strategy Office, and Deputy Senior General Manager of Sales Management and Senior General Manager of Product in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales, corporate strategy and product planning. Therefore, the Company has renominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
4	Shigeki Kosugi (March 8, 1959)	<p>April 1981      Joined the Company</p> <p>February 2013      General Manager of Tenant Management Division</p> <p>May 2016      Executive Officer; General Manager of Tenant Management Division</p> <p>May 2019      Director; General Manager of Tenant Management Division</p> <p>May 2020      Director and Senior Executive Officer; General Manager of Tenant Management Division</p> <p>September 2020      Director and Senior Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2021      Director and Managing Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2022      Director and Managing Executive Officer; Senior General Manager of Development Division</p> <p>February 2024      Director and Senior Managing Executive Officer; Senior General Manager of Development Division (current position)</p>	5,300
<p>[Reason for nomination as candidate for Director]</p> <p>Having served as Senior General Manager of Development Division, following positions including General Manager of Tenant Management Division, with extensive experience in the areas of product planning and store operations, he has a wealth of experience and a broad range of knowledge in the field of tenant and store development. Therefore, the Company has renominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned	
5	Yoshimichi Hiratsuka (October 7, 1965)	March 1988 May 2015 February 2017 May 2017 February 2020 February 2023 May 2023	Joined the Company General Manager of GMS Sales Division General Manager of SM Sales Division Executive Officer; General Manager of SM Sales Division Executive Officer; General Manager of Shiga No. 3 Sales Division and Manager of Group 1, Shiga No. 3 Sales Division Senior Executive Officer, Senior General Manager of Store Sales Director and Senior Executive Officer; Senior General Manager of Store Sales (current position)	2,000
		<p>[Reason for nomination as candidate for Director] Having served as Senior Executive Officer; Senior General Manager of Store Sales, following positions including General Manager of GMS Sales Division, General Manager of SM Sales Division and Executive Officer; General Manager of Shiga No. 3 Sales Division, he has a wealth of experience and knowledge in the field of store operations. Therefore, the Company has renominated him as a candidate for Director.</p>		
6	Shinichi Ueyama (October 6, 1957)	April 1980 July 1984 April 1986 July 1992 September 2000 September 2003 March 2007 May 2022 April 2023	Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism) Seconded to the Ministry of Foreign Affairs Joined McKinsey & Company, Inc. Japan Partner, McKinsey & Company, Inc. Japan Research Professor, Georgetown University, U.S.A. Special Research Professor, Keio University Graduate School of Media and Governance Professor, Faculty of Policy Management, Keio University Director (current position) Professor Emeritus, Keio University (current position)	0
		<p>[Significant concurrent positions] Specially Appointed Professor, Graduate School of Leadership and Innovation, Shizenkan University Outside Corporate Auditor, Aso Corporation Outside Director, Myster Engineering Corporation Advisor, Advantage Advisors Co., Ltd. Outside Director, Star Flyer Inc. Executive Advisor to the Governor, Osaka Prefecture Government Executive Advisor to the Mayor, Osaka City Government Policy Advisor to the Governor, Aichi Prefecture Government</p> <p>[Reason for nomination as candidate for Outside Director and an overview of expected roles] Having worked on numerous corporate reforms, as well as organizational reforms for local / central government and international organizations through his role in administrative bodies and management consulting, he has extensive knowledge and experience. The Company has renominated him as a candidate for Outside Director with the expectation that he will engage in and supervise the corporate strategy and structural reform of the Group by leveraging a wealth of knowledge and experience relating to corporate management.</p>		

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
7	Yoko Nameki (December 27, 1961)	<p>April 1985      Joined IBM Japan Ltd.</p> <p>January 2009    Executive IT Specialist</p> <p>April 2016      IBM Distinguished Engineer</p> <p>April 2020      Specially Appointed Professor, Faculty of Commerce, Chuo University (current position)</p> <p>June 2022      Outside Director (Audit and Supervisory Committee Member), The Ashikaga Bank, Ltd. (current position)</p> <p>June 2022      Director, The Engineering Academy of Japan (current position) (Chairperson of the Gender Committee)</p> <p>May 2023      Director (current position)</p> <p>[Significant concurrent positions]</p> <p>Specially Appointed Professor, Faculty of Commerce, Chuo University</p> <p>Outside Director, The Ashikaga Bank, Ltd.</p> <p>Director, The Engineering Academy of Japan</p>	0
<p>[Reason for nomination as candidate for Outside Director and an overview of expected roles]</p> <p>She has a wealth of knowledge and experience in the information systems and digital fields as well as in the diversity domain, and the Company expects her to engage in and supervise its digital transformation and promotion of diversity. Although she has no direct experience of being involved in corporate management, the Company has renominated her as a candidate for Outside Director for the reasons stated above.</p>			

- (Notes)
1. Mr. Masashi Hiramatsu concurrently serves as Representative Director at Nihon Ryutsu Sangyo Co., Ltd., and the Company procures products from the said company.
  2. There are no special interests between the other candidates for Director and the Company.
  3. Mr. Shinichi Ueyama and Ms. Yoko Nameki are candidates for Outside Director.
  4. Mr. Shinichi Ueyama will have served as Outside Director for two years at the conclusion of this General Meeting of Shareholders.
  5. Ms. Yoko Nameki will have served as Outside Director for one year at the conclusion of this General Meeting of Shareholders.
  6. The Company has entered into liability limitation agreements with Mr. Shinichi Ueyama and Ms. Yoko Nameki in accordance with the Company's Articles of Incorporation to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the said agreements. However, the maximum amount of liability for damages pursuant to the agreements is the limit stipulated by laws and regulations.
  7. The Company has registered Mr. Shinichi Ueyama and Ms. Yoko Nameki with Tokyo Stock Exchange, Inc. as Independent Officers based on the stipulations of the Exchange. If they are reelected and take office, the Company intends to continue to register them as Independent Officers.
  8. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The D&O insurance agreement shall cover damage that may arise as a result of the insureds assuming responsibility for the execution of their duties or receiving claims in pursuit of the said liability. The insurance premiums for the insureds are entirely borne by the Company. If each candidate is appointed to the position of Director, each candidate will be included as the insured under the D&O insurance agreement. The Company plans to renew the insurance agreement in June 2024.

**Proposal 4: Election of Three Directors Who Are Members of the Audit and Supervisory Committee**

The terms of office of three Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of three Directors who are members of the Audit and Supervisory Committee.

This proposal has received the approval of the Audit and Supervisory Committee.

The candidates for Director who are members of the Audit and Supervisory Committee are as follows:

Candidate No.	Name	Current position and responsibilities	Candidate attributes	Attendance at Board of Directors' meetings	Attendance at Audit and Supervisory Committee meetings
1	Shinji Motomochi	Director (Full-time member of the Audit and Supervisory Committee)	Reelection	100% (14/14)	100% (14/14)
2	Shiro Takashima	Outside Director (Member of the Audit and Supervisory Committee)	Reelection Outside Independent	100% (14/14)	100% (14/14)
3	Keiko Kimura	—	New election Outside Independent	—	—

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
1	Shinji Motomochi (April 6, 1962)	March 1986      Joined the Company February 2012      General Manager of Human Resources Division February 2022      Assistant to Senior General Manager of Administration and General Manager in charge of Human Resources May 2022          Director (Full-time member of the Audit and Supervisory Committee) (current position)	5,500
		[Reason for nomination as candidate for Director who is a member of the Audit and Supervisory Committee] Having managed multiple stores, he has a wealth of experience and knowledge in store operation and personnel and human resources development as General Manager of Human Resources Division. Therefore, the Company has renominated him as a candidate for Director who is a member of the Audit and Supervisory Committee.	
2	Shiro Takashima (July 21, 1972)	April 1999      Registered as Attorney (Osaka Bar Association) April 1999      Joined Yodoyabashi Godo Law Office (currently Yodoyabashi & Yamagami Legal Professional Corporation) (current position) June 2013      Bar examiner (Commercial Code) May 2020      Outside Director (Member of the Audit and Supervisory Committee) of the Company (current position) [Significant concurrent positions] Attorney, Yodoyabashi & Yamagami Legal Professional Corporation Outside Director, Toabo Corporation Corporate Auditor, Nihon Hoso Unyu Co., Ltd.	0
		[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and an overview of expected roles] Having served as an outside director and outside corporate auditor at leading Japanese corporations with his extensive experience and expertise in corporate legal affairs and various legal matters as an attorney, he possesses a wealth of experience in providing advice and in auditing from an independent standpoint. Although he has never been involved in corporate management in any way other than as an Outside Director or Corporate Auditor, the Company has renominated him as a candidate for Outside Director who is a member of the Audit and Supervisory Committee with the expectation that he will make appropriate recommendations regarding corporate legal affairs and various legal matters among others, and audit and supervise the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors.	
3	* Keiko Kimura (December 23, 1964)	July 1994      Registered as Certified Public Accountant (The Japanese Institute of Certified Public Accountants) June 1995      Established Keiko Kimura Certified Public Accountant Office (current position) December 1996      Registered as Licensed Real Estate Appraiser (Osaka Association of Licensed Real Estate Appraisers) May 2004      Registered as Certified Public Tax Accountant (Kinki Certified Public Tax Accountants' Association) September 2017      Established Miyako Licensed Real Estate Appraiser Office Co., Ltd. (current position) [Significant concurrent positions] Certified Public Accountant, Keiko Kimura Certified Public Accountant Office Representative Director, Miyako Licensed Real Estate Appraiser Office Co., Ltd.	0
		[Reason for nomination as candidate for Outside Director who is a member of the Audit and Supervisory Committee and an overview of expected roles] She possesses extensive experience and expertise in finance, accounting, and taxation. The Company has newly nominated her as a candidate for Outside Director who is a member of the Audit and Supervisory Committee with the expectation that she will make recommendations regarding finance and accounting among others from an objective and professional perspective, and audit and supervise the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors.	

- (Notes)
1. The candidate whose name is marked with an asterisk (\*) will be a newly appointed Director.
  2. There are no special interests between the candidates for Director and the Company.
  3. Mr. Shiro Takashima and Ms. Keiko Kimura are candidates for Outside Director.
  4. The Company has entered into a liability limitation agreement with Mr. Shiro Takashima in accordance with the Company's Articles of Incorporation to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act. If his reelection is approved, the Company plans to continue the said agreement. In addition, if Ms. Keiko Kimura is elected, the Company plans to conclude the same agreement. However, the maximum amount of liability for damages pursuant to the agreements is the limit stipulated by laws and regulations.
  5. The Company has registered Mr. Shiro Takashima with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange. If he is reelected and takes office, the Company intends to continue to register him as an Independent Officer. The Company intends to register Ms. Keiko Kimura with Tokyo Stock Exchange, Inc. as an Independent Officer, if she is elected at this General Meeting of Shareholders and takes office. Furthermore, the Company has concluded an advisory agreement with Yodoyabashi & Yamagami Legal Professional Corporation to which Mr. Shiro Takashima belongs. However, as the amount of the average annual remuneration for the last three business years of the said corporation is less than 10.00 million yen, the Company judges that there is no risk of this having an impact on his independence.
  6. The term of office of Mr. Shiro Takashima as Outside Director who is a member of the Audit and Supervisory Committee of the Company will be four years as at the conclusion of this Annual General Meeting of Shareholders since his assumption of office.
  7. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The insurance premiums for the insureds are entirely borne by the Company. If each candidate is appointed to the position of Director who is a member of the Audit and Supervisory Committee, each candidate will be included as the insured under the D&O insurance agreement. The Company plans to renew the insurance agreement in June 2024.

[Reference] If Proposals 3 and 4 are approved as proposed, the composition of the Board of Directors will be as follows:

Name	Position	Areas of Expertise (Skill Matrix)							
		Overall Corporate Management	Sales / Marketing	Supply Chain	Information System / DX	Finance / Accounting	HR / Labor / Diversity	Governance	Sustainability
Masashi Hiramatsu	Representative Director, Executive President, and CEO	○	○				○	○	
Kohei Natsuhara	Representative Director, Executive Vice President, and COO	○	○			○			○
Yohei Natsuhara	Director and Senior Managing Executive Officer	○	○	○					○
Shigeki Kosugi	Director and Senior Managing Executive Officer		○	○					
Yoshimichi Hiratsuka	Director and Senior Executive Officer		○	○					
Shinichi Ueyama	Outside Director	○						○	
Yoko Nameki	Outside Director				○		○		○
Shinji Motomochi	Director (Full-time member of the Audit and Supervisory Committee)		○				○		
Shiro Takashima	Outside Director (Member of the Audit and Supervisory Committee)							○	
Keiko Kimura	Outside Director (Member of the Audit and Supervisory Committee)	○				○		○	

Note: The skills matrix above is not an exhaustive list of all the expertise and knowledge each candidate possesses.



**Proposal 5: Election of One Substitute Director Who Is a Member of the Audit and Supervisory Committee**

In preparation for a situation in which the number of Directors who are members of the Audit and Supervisory Committee falls below the number stipulated by laws and regulations, the Company proposes the election of one substitute Director who is a member of the Audit and Supervisory Committee in advance.

The election of the candidate below may be nullified by resolution of the Board of Directors, with the consent of the Audit and Supervisory Committee, only before he assumes office.

Additionally, this proposal has received the approval of the Audit and Supervisory Committee.

The candidate for substitute Director who is a member of the Audit and Supervisory Committee is as follows:

Name (Date of birth)	Career summary and positions and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares owned
Susumu Yamakawa (January 18, 1952)	<p>March 1985 Registered as Certified Public Tax Accountant (Kusatsu Branch of Kinki Certified Public Tax Accountants' Association)</p> <p>May 1985 Established Yamakawa Accounting Office</p> <p>May 2003 Established Chuosoken Certified Tax Accountants Corporation (current position)</p> <p>May 2018 Outside Director (Member of the Audit and Supervisory Committee) of the Company (current position)</p> <p>September 2019 Established Chuosoken, Inc. (current position)</p> <p>[Significant concurrent positions] Certified Public Tax Accountant, Chuosoken Certified Tax Accountants Corporation Chairman, Chuosoken, Inc.</p>	0
<p>[Reason for nomination as candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee and an overview of expected roles]</p> <p>Having established a certified tax accountants corporation and a business entity, he has a wealth of experience as a corporate manager, as well as extensive experience and expertise in the fields of taxation and accounting as a certified public tax accountant. The Company has nominated him as a candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee with the expectation that he will make appropriate recommendations regarding taxation and accounting among others, and audit and supervise the execution of duties by Directors from an independent standpoint, thereby enhancing the functions of the Board of Directors.</p>		

- (Notes)
1. There are no special interests between Mr. Susumu Yamakawa and the Company.
  2. Mr. Susumu Yamakawa is a candidate for substitute Outside Director who is a member of the Audit and Supervisory Committee.
  3. The Company intends to enter into a liability limitation agreement with Mr. Susumu Yamakawa in accordance with the Company's Articles of Incorporation to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act, if he assumes the office of Director who is a member of the Audit and Supervisory Committee. However, the maximum amount of liability for damages pursuant to the agreement is the limit stipulated by laws and regulations.
  4. The Company intends to register Mr. Susumu Yamakawa with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange, if he assumes the office of Director who is a member of the Audit and Supervisory Committee.
  5. The term of office of Mr. Susumu Yamakawa as Outside Director who is a member of the Audit and Supervisory Committee of the Company will be six years as at the conclusion of this Annual General Meeting of Shareholders since his assumption of office.
  6. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The insurance premiums for the insureds are entirely borne by the Company. If Mr. Susumu Yamakawa assumes the office of Director who is a member of the Audit and Supervisory Committee, he will be included as the insured under the D&O insurance agreement.

**Proposal 6: Determination of the Remuneration for Granting Share Remuneration to Directors Excluding Directors Who Are Members of the Audit and Supervisory Committee**

It was approved at the 59th Annual General Meeting of Shareholders held on May 19, 2016 that the amount of remuneration to Directors of the Company excluding Directors who are members of the Audit and Supervisory Committee shall be 250 million yen or less per year (exclusive of the amount of employee salaries to Directors who concurrently serve as employees). The Company requests your approval to newly introduce a performance-linked restricted share remuneration plan (the “Plan”) described below for Directors of the Company excluding Directors who are members of the Audit and Supervisory Committee (excluding Outside Directors, the “Eligible Directors”) within the remuneration framework mentioned above with the aim of giving the Eligible Directors an incentive to strive for sustainable improvement in the corporate value of the Company and facilitating further value sharing between the Eligible Directors and shareholders by making the linkage clearer between the remuneration to the Eligible Directors, performance of the Company, and share value of the Company.

Currently, the Company has five Eligible Directors. If Proposal 3 is approved as proposed, the Company will have five Eligible Directors.

1. Overview of the Plan

The Plan is a performance-linked restricted share remuneration plan using Performance Share Units (PSUs) that grants common shares in the Company (the “Shares”) as remuneration to the Eligible Directors. The number of shares to be granted is determined based on the degree of achievement of numerical targets set in advance by the Board of Directors for the performance during the period from the start date of each business year of the Company to the end date of the business year (the “Evaluation Period”) and the position of the Eligible Directors. The Plan places certain transfer restrictions on the common shares in the Company to be granted (However, if the Eligible Directors retire or resign as Director of the Company or other positions specified by the Board of Directors of the Company prior to the grant of the Shares, the Plan shall place no transfer restrictions on the common shares in the Company to be granted.). The performance indicators to be adopted in the Plan shall be determined by the Board of Directors and include indicators showing the state of profits, indicators showing the state of net sales, and other indicators based on the management policy of the Company.

Therefore, the Plan grants the Shares based on the degree of achievement of numerical performance targets, among other factors. At the time of introduction of the Plan, whether to grant the Shares to each Eligible Director and the number of shares to be granted are not determined.

Based on this proposal, the total number of common shares in the Company to be issued or disposed of to the Eligible Directors shall be 25,000 shares or less per year (However, if a stock split of the common shares in the Company (including allotment of common shares in the Company without contribution) or a reverse stock split occurs on or after the date on which this proposal is approved, the maximum number will be adjusted according to the split or reverse split ratio). The total value of the Shares shall be 50 million yen or less per year, which is within the remuneration framework mentioned above and considered reasonable in light of the objectives described above. The specific timing of the grant of shares and allocation to each Eligible Director shall be determined by the Board of Directors.

Under the Plan, common shares of the Company shall be granted by one of the following methods based on a resolution of the Board of Directors.

- (i) The method of issuing or disposing of common shares in the Company as remuneration to the Eligible Directors without payment of money or property contributed in-kind
- (ii) The method in which the Company provides the Eligible Directors with monetary compensation claims as remuneration, and the Eligible Directors pay out the monetary compensation claims in their entirety as property contributed in-kind and get common shares in the Company issued or disposed of. (In the case of method (ii), the payment amount per share shall be determined by the Board of Directors based on the closing price of the common shares in the Company on the Tokyo Stock Exchange on the business day preceding the day of the resolution of the Board of Directors pertaining to the decision on the issuance or the disposal (if no transactions were made on that day, the closing price on the most recent trading day prior to that day) in a manner that does not give the Eligible Directors a particular advantage.)

2. Requirements for granting the Shares

Under the Plan, upon the expiration of the Evaluation Period, the Shares shall be granted to the Eligible Directors (including those who assume the office after the start of the Evaluation Period) provided, in general, that the following requirements are met.

- (i) Absence of a certain misconduct, violation, etc. specified by the Board of Directors of the Company
- (ii) Fulfillment of other requirements set by the Board of Directors of the Company as necessary to achieve the objectives of the performance-linked restricted share remuneration plan

After the start of the Evaluation Period (or after the assumption of the office if the Eligible Directors newly assumed the

office after the start of the Evaluation Period) and prior to the grant of the Shares, if matters regarding a merger agreement in which the Company becomes an absorbed company, a share exchange agreement in which it becomes a wholly-owned subsidiary, or share transfer plan or another form of organizational restructuring are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in cases where approval by a General Meeting of Shareholders of the Company is not required for such restructuring), the Shares shall not be granted to the Eligible Directors.

### 3. Overview of transfer restrictions, etc.

In granting common shares of the Company, a restricted share allotment agreement (the "Allotment Agreement"), which includes, in general, the following contents, shall be concluded between the Company and each Eligible Director (However, if the Eligible Directors retire or resign as Director of the Company or other positions specified by the Board of Directors of the Company after the expiration of the Evaluation Period and prior to the grant of the Shares, the Allotment Agreement shall not be concluded.).

- (1) The Eligible Directors may not transfer, put up as collateral, or dispose of in any other way the common shares in the Company allotted under the Allotment Agreement (the "Allotted Shares") during the period (the "Period of Restriction on Transfer") from the date of allotment of the Allotted Shares to the date on which the Eligible Directors retire or resign as Director of the Company or other positions specified by the Board of Directors of the Company (the "Restriction on Transfer").
- (2) The Company shall cancel the Restriction on Transfer on all the Allotted Shares at the point in time when the Period of Restriction on Transfer expires.
- (3) If, during the Period of Restriction on Transfer, an Eligible Director is in violation of laws and regulations, internal regulations, or the Allotment Agreement, or meets any of the conditions specified by the Board of Directors of the Company as justifying the acquisition of the Allotted Shares at no cost, the Company shall acquire the Allotted Shares naturally and at no cost.
- (4) Notwithstanding the provision under (1) above, if, during the Period of Restriction on Transfer, matters regarding a merger agreement in which the Company becomes an absorbed company, a share exchange agreement in which it becomes a wholly-owned subsidiary, or share transfer plan or another form of organizational restructuring are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company in cases where approval by a General Meeting of Shareholders of the Company is not required for such restructuring), the Company shall cancel the Restriction on Transfer on all the Allotted Shares before the effective date of the organizational restructuring.

### 4. Reasons why payment of remuneration based on the Plan is considered reasonable

The Company considers that the payment of remuneration based on the Plan is reasonable for the following reasons: (i) By setting performance targets for the Evaluation Period and granting the Shares according to the degree of achievement of the targets, the Plan will provide an incentive to aim for a medium- to long-term, sustainable improvement of corporate value; and (ii) The ratio of the total number of shares related to the performance-linked restricted share remuneration plan to the total number of shares issued and outstanding will be approximately 0.015% at most for each Evaluation Period, and the dilution rate will be minimal.

At a meeting of the Board of Directors held on December 3, 2020, the Company formulated a policy concerning the determination of the details of individual remuneration to Directors (excluding Directors who are members of the Audit and Supervisory Committee). The summary of the policy is presented in the Business Report (page 36). If this proposal is approved, the Company plans to amend the policy in line with this proposal.