

Message from the President

I would like to thank our shareholders for their support and patronage.

We completed the previous medium-term management plan whose basic policy was “Weather the crisis and regain our earnings power.” During the period covered by the plan, we implemented various measures to drastically review our revenue structure and switched to a sales approach that enables securing an appropriate level of gross margin by emphasizing regular price sales. We have also started initiatives for future growth, such as the promotion of Online Merges with Offline (OMO), and new brand development, and have improved our performance.

In May 2023, we announced a long-term vision covering the years up to the year ending March 31, 2033, and a medium-term management plan covering the years up to the year ending March 31, 2026.

The slogan of our long-term vision is “UNITED ARROWS, a beautiful company, will continue to pursue sincerity, goodness, and a sense of beauty to become an enterprise that contributes to the realization of a sustainable society, is loved by customers, and offers high added value.” We want to become a highly sensitive, high-value-added lifestyle provider and be an indispensable part of a stylish lifestyle. We aim to achieve this long-term vision by expanding our business domain to include all aspects of lifestyle and by broadening our customer base.

The theme of the new medium-term management plan is “Providing Inspiration - Connecting Deeply and Widely with Customers.” In a three-year period, we intend to lay the foundation for our long-term vision by growing our existing businesses and expanding our business domain while deepening our contact with our customers. We are committed to achieving this plan by maximizing our competitive advantage in terms of people, products, and resources, and through tireless efforts. I believe that this will enhance our corporate value and lead to greater shareholder value.

We sincerely ask our shareholders to continue supporting the UNITED ARROWS Group.

Yoshinori Matsuzaki
Representative Director, President and CEO

Sustainability Action

UNITED ARROWS is promoting sustainability action under the slogan “SARROWS.” Based on three themes, “Circularity” in the pursuit of circular fashion, “Carbon Neutrality” to preserve our beautiful earth, and “Humanity” as the sound foundation for these initiatives, we aim to advance toward a rich, fulfilling future together with all the people involved with UNITED ARROWS.

UNITED ARROWS 2030 Targets and Progress

		FY2031 targets	FY2022
Circularity Circular fashion	Disposal rate of products	0.1%	1.0%
	Percentage of environmentally conscious products	50%	2.0%
Carbon Neutrality Toward a carbon-neutral world	Reduction rate of CO ₂ emissions	30%	10.8%
	Ratio of renewable energy	50%	3.2%
Humanity Work and live in a healthy way	Rate of Code of Conduct for Business Partners consent forms acquired	100%	11.6%
	Employee engagement scores	80%	70%

Aim to be a Transparent Enterprise ESG Data Book

UNITED ARROWS has issued an ESG Data Book. Securing transparency of information on the assessment of environmental impacts of business activities, human rights considerations, social contribution, and other ESG-related information is increasingly valued in corporate governance. Disclosure of ESG-related information as objective statistical data can accurately convey the latest information about UNITED ARROWS today and make it easier to show the Company’s progress. Data in the environmental field include the environmental impacts of our business activities, and data in the social field include, for example, the gender ratio and the ratio of employees taking maternity leave and childcare leave. We believe disclosure will enhance the transparency of our business activities and facilitate dialogue with our stakeholders on value creation for a sustainable future.

Consolidated Financial Highlights

Total sales	Operating profit
130,135 million yen	6,362 million yen
Up 9.9% year on year	Up 278.0% year on year

Operating profit ratio	Net income attributable to owners of parent	ROE (Ratio of net income to shareholders' equity)
49.0%	4,341 million yen	13.6%
Up 3.5 percentage points year on year	Up 492.6% year on year	

This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities identification code: 7606

June 2, 2023

(Date of commencement of measures for electronic provision: May 26, 2023)

To our shareholders:

Yoshinori Matsuzaki
Representative Director, President and CEO
UNITED ARROWS LTD.
3-28-1 Jingumae, Shibuya-ku, Tokyo, Japan
(Head Office: 8-1-19 Akasaka, Minato-ku, Tokyo, Japan)

NOTICE OF THE 34TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 34th Ordinary General Meeting of Shareholders of UNITED ARROWS LTD. (the “Company”), which will be held as described below.

In convening this ordinary general meeting of shareholders, measures for electronic provision have been taken and information that constitutes the content of the Reference Documents for the General Meeting of Shareholders, etc. (items subject to measures for electronic provision) are posted on the website indicated below.

The Company’s “Shareholders’ Meeting” webpage

<https://www.united-arrows.co.jp/en/ir/stockinfo/notification/>

In addition to the above, the information is also available on the Tokyo Stock Exchange (TSE) website.

TSE website (TSE Listed Company Search)

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

Please access the TSE website above, enter the Company’s name “United Arrows” in the “Issue name (company name)” field or the Company’s securities code “7606” in the “Code” field, and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” click the “click here for access” button below the heading “Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting”, and select “Notice of Convocation Annual General Meeting 2023.”

If you are not attending the meeting in person, you may exercise your voting rights via the Internet or in writing. Please refer to the “Instructions for Exercising Voting Rights” (pages 7 to 8) after reviewing the Reference Documents for the General Meeting of Shareholders included in the items subject to measures for electronic provision, and exercise your voting rights on the proposals no later than 5:00 p.m., Friday, June 23, 2023 (Japan Standard Time).

Meeting Details

1. **Date and time:** **Monday, June 26, 2023 at 6:00 p.m. (Japan Standard Time)**
 2. **Venue:** **Otemachi Mitsui Hall, Otemachi One 3F**
1-2-1 Otemachi, Chiyoda-ku, Tokyo
 3. **Purposes:**
 - Items to be reported:**
 1. Business Report and Consolidated Financial Statements for the 34th Term (from April 1, 2022 to March 31, 2023), as well as the results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 34th Term (from April 1, 2022 to March 31, 2023)
 - Items 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: Introduction of performance-linked stock compensation plan for Directors, etc.**
- You are kindly requested to present the enclosed voting form to the receptionist when you attend the meeting in person. Reception is scheduled to start at 5:00 p.m. on the day of the meeting.
 - If any changes are made to the items subject to measures for electronic provision, such changes will be posted on the websites mentioned above.
 - The documents delivered to shareholders who have requested the issuance of documents do not include the following items pursuant to laws and regulations, as well as Article 15 of the Articles of Incorporation.
 - “Systems to Ensure Proper Business Execution” and “Overview of the Status of Operation of the Systems to Ensure Proper Business Execution,” which are part of the Business Report
 - “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements,” which are part of the Consolidated Financial Statements
 - “Non-consolidated Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements,” which are part of the Non-consolidated Financial StatementsTherefore, the documents delivered to shareholders who have requested the issuance of documents are part of the documents that have been audited by the Accounting Auditor and by the Audit and Supervisory Committee to prepare an accounting audit report and to prepare an audit report.
 - In the event that your approval or disapproval of the proposal is not indicated on the voting form, it shall be considered as an indication of approval.
 - Voting by proxy is possible only when delegated to a shareholder of the Company with voting rights pursuant to the Articles of Incorporation, and the proxy must be a single shareholder. In such cases, please submit to the Company a document proving the proxy’s capacity to act.

Instructions for Exercising Voting Rights

Exercise of voting rights at the General Meeting of Shareholders is an important right of shareholders. Please by all means exercise your voting rights after examining the attached Reference Documents for the General Meeting of Shareholders.

There are three methods to exercise your voting rights as indicated below.

Attending the General Meeting of Shareholders

Present the enclosed voting form to the receptionist at the meeting.

Date and time: Monday, June 26, 2023 at 6:00 p.m. (Reception is scheduled to start at 5:00 p.m.)

Mailing the Voting Form

Complete the enclosed voting form by indicating your approval or disapproval of the proposals and return it without affixing a stamp.

Voting deadline: The voting form should be received by Friday, June 23, 2023 at 5:00 p.m.

Exercising Voting Rights via the Internet

Please enter “approve” or “disapprove” for each of the proposals in accordance with the instructions on the following page.

Voting deadline: No later than Friday, June 23, 2023 at 5:00 p.m.

Guide to filling in the voting form

Please indicate your approval or disapproval of each proposal.

Proposals 1 and 3

If you approve: Mark a in the box marked “贊”

If you disapprove: Mark a in the box marked “否”

Proposals 2

If you approve all candidates: Mark a in the box marked “贊”

If you disapprove all candidates: Mark a in the box marked “否”

If you selectively veto certain candidates: Mark a in the box marked “贊” and write the number of each candidate you choose to veto.

If you exercise your voting rights in duplicate, both in writing and via the Internet, your votes cast via the Internet shall prevail.

In addition, if you have exercised your voting rights multiple times on the Internet, only the final vote will be taken as valid.

How to exercise voting rights via the Internet

Scanning the QR code

You can simply log in to the voting website without entering your login ID and temporary password printed on the voting form.

1. Scan the QR code printed on the right side of the voting form.
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can log in to the website only once using the QR code.

If you wish to redo your vote or exercise your voting rights without using the QR code, please refer to “Entering login ID and temporary password” below.

Entering login ID and temporary password

Voting website: <https://evote.tr.mufg.jp/>

1. Access the voting website.
2. Enter your login ID and temporary password printed on the voting form and click “Log in.”
3. Register a new password.
Enter your new password and click “Send.”
4. Indicate your approval or disapproval by following the instructions on the screen.

If you are unclear about the procedures for voting via the Internet using a PC or smartphone, please direct your inquiries to the Help Desk, details of which are as follows.

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Department Help Desk

Tel: 0120-173-027 (Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. (Japan Standard Time))

For institutional investors

Institutional investors may use the electronic voting rights exercise platform operated by ICJ, Inc. to electronically exercise voting rights for this General Meeting of Shareholders.

How to view live streaming via the Internet and submit questions in advance

To enable viewing of the General Meeting of Shareholders from home, etc., we will provide live streaming via the Internet as outlined below. Moreover, we will be accepting questions in advance on the purposes (items to be reported and items to be resolved) of this general meeting of shareholders.

How to view live streaming

Date and time

Monday, June 26, 2023 from 6:00 pm until the conclusion of the General Meeting of Shareholders

Special site URL: <https://web.sharely.app/login/united-arrows-34>

- (1) To access the live stream page, please enter the above URL or scan the QR code shown on the right.
- (2) Once you have been connected, enter your Shareholder Number and your Zip Code (printed on the voting form) as directed by the screen, and log in.

Submission of questions in advance

Acceptance period

From 0:00 am, Friday, May 26, 2023 until 5:00 pm, Thursday, June 15, 2023

Special site URL: https://web.sharely.app/e/united-arrows-34/pre_question

- (1) To access the question submission page, please enter the above URL or scan the QR code shown at the right.
- (2) Once you have been connected, enter your Shareholder Number and your Zip Code (printed on the voting form) as directed by the screen, and log in.
- (3) Once you have accessed the form for submission of questions in advance, select the relevant proposal from the “Select proposal” button and enter your question within 150 characters in the question box, and then click the “Send” button at the lower right on the screen.

Inquiries about the system

If you have questions about the system for live streaming and for acceptance of questions in advance, please see “FAQ for Shareholders” at the URL below.

URL: <https://sharely.zendesk.com/hc/ja/sections/360009585533>

If you have questions about logging in or using the system for live streaming on the day of the event, please contact the following help desk. Please note that we are unable to answer questions regarding the agenda of the General Meeting of Shareholders, or respond to other opinions or questions concerning the content of the meeting. We ask for your understanding in advance.

Help desk for inquiries about viewing the live stream (on the day of the event only)

Sharely direct dial: 03-6416-5286

Reception: June 26, 2023 (the day of the General Meeting of Shareholders) from 3:30 p.m. to 8:00 p.m. (Japan Standard Time)

Notes concerning live streaming and submission of questions in advance

- Viewing the live stream and submitting questions in advance are limited to actual shareholders.
- Individual shareholders are responsible for all communication charges and other costs associated with viewing the meeting and submission of questions in advance.
- Public showing, republishing/duplication, or provision to a third party of the video or audio data of the live streaming, or communicating the method for logging in to the system to a third party, are prohibited.
- The viewing of a live stream is not recognized under the Companies Act as attendance at a General Meeting of Shareholders. Therefore, you will not be able to ask questions, exercise your voting rights or make motions as shareholders are permitted to do at a General Meeting of Shareholders. For shareholders who will be viewing the live streaming, we ask that you exercise your voting rights via the Internet or by using the postal voting form in advance.
- Live streaming may not be possible in the event of circumstances such as natural disasters or technical issues. If there is a change in the way the General Meeting of Shareholders will be run, shareholders will be informed on the Company's website, etc.
- Please note that video and audio may be affected by your computer/smartphone environment (model, performance, etc.) or internet connection (network conditions, communication speed, etc.).
- In consideration of the privacy of shareholders in attendance, filming of the venue on the day will be limited to the area around the Chair and Executive Officers' seats. However, please note that there may be cases in which the filming of shareholders in attendance cannot be avoided. We ask for your understanding in advance.
- Among the questions accepted in advance, we will address those about matters of high interest to shareholders on the day of the meeting. We will not respond to all the questions we receive. Please note that we will not be able to respond individually to questions that we do not address on the day of the meeting.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company would like to propose to appropriate surplus for the term under review as described below:

Matters related to term-end dividends

The Company's basic dividend policy is to seek to return profits to shareholders by paying stable dividends that are linked to business performance.

The Company has given consideration to matters including its business performance during the term under review and future business development, and proposes to pay a year-end dividend for the term under review as follows:

Type of dividend property

Cash

Allocation of dividend property and total amount thereof

35 yen per common share of the Company

Total amount of dividends: 997,334,940 yen

Effective date of distribution of dividends of surplus

June 27, 2023

Together with the interim dividend of 12 yen per share, which has already been paid, the annual dividends for the fiscal year ended March 31, 2023 will be 47 yen per share, and the consolidated payout ratio will be 30.8%.

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


At the conclusion of this General Meeting of Shareholders, the terms of office of three (3) current Directors (excluding Directors who are Audit and Supervisory Committee Members; the same will apply hereinafter in this proposal), namely Yoshinori Matsuzaki, Tatsuya Kimura, and Hiroyuki Higashi, will expire. Accordingly, the Company proposes the election of four (4) Directors in order to further strengthen the management structure aimed at the creation of corporate value for the Group. The Nomination and Compensation Committee was asked for advice and reported their findings on this proposal.

The candidates for Directors are as follows:


No.	Name	Current position and responsibilities at the Company	
1.	Yoshinori Matsuzaki	Representative Director, President and CEO	Reelection
2.	Tatsuya Kimura	Director, Executive Vice President and COO	Reelection
3.	Takeo Nakazawa	Executive Officer, CFO, General Manager of Administration Division	New candidate
4.	Kazuyasu Tanaka	Executive Officer, CMO, Manager, New Business Development Office	New candidate


[Reelection] Candidate for Director to be reelected

[New candidate] Candidate for Director to be newly elected

No.	Name (Date of birth)	Career summary, position, and responsibilities Significant concurrent positions outside the Company
1.	 <p data-bbox="336 663 544 734">Yoshinori Matsuzaki February 22, 1974</p> <p data-bbox="389 779 491 806">Reelection</p> <p data-bbox="325 864 555 954">Number of the Company's shares owned 52,240</p> <p data-bbox="320 994 560 1084">Board of Directors Meeting Attendance 17/17 Meetings (100%)</p>	<p data-bbox="576 344 963 371">April 1998 Joined the Company</p> <p data-bbox="576 389 1310 443">October 2005 Department Manager, Sales Department, United Arrows Division of the Company</p> <p data-bbox="576 461 1337 537">April 2008 Deputy General Manager, Beauty & Youth Division, and Department Manager, Business Strategy Department of the Company</p> <p data-bbox="576 555 1353 609">April 2012 General Manager, Beauty & Youth Division, Business Unit I of the Company</p> <p data-bbox="576 627 1321 680">July 2012 Executive Officer and General Manager, Beauty & Youth Division, Business Unit I of the Company</p> <p data-bbox="576 698 1326 752">April 2014 Senior Executive Officer and General Manager, Beauty & Youth Division, Business Unit I of the Company</p> <p data-bbox="576 770 1321 824">April 2018 Senior Executive Officer and General Manager, Business Unit I of the Company</p> <p data-bbox="576 842 1321 896">June 2018 Director, Executive Managing Officer, General Manager, Business Unit I of the Company</p> <p data-bbox="576 913 1257 967">November 2020 Director, Senior Executive Vice President, General Manager, Business Unit I of the Company</p> <p data-bbox="576 985 1353 1039">April 2021 Representative Director, President and CEO of the Company (current)</p> <p data-bbox="576 1057 1145 1084">Significant concurrent positions outside the Company Representative Director and Chairman, COEN CO., LTD.</p>
<p data-bbox="240 1099 660 1126">Reasons to elect the candidate for Director</p> <p data-bbox="240 1167 1353 1444">Since joining the Company, Yoshinori Matsuzaki has built his career as Store Manager, and contributed to the development of the Beauty & Youth business as General Manager of the Beauty & Youth Division. Subsequently, he assumed the position of Director in June 2018 and led the Company's mainstay business as General Manager of Business Unit I supervising all businesses of the trend-consciousness market. He assumed the position of Representative Director and President in April 2021. As Chief Executive Officer (CEO) since then, he has been playing the role of the highest-level decision-maker and supervisor of business execution within the Group's management. Demonstrating strong leadership, he executed the divestiture of unprofitable businesses and stores, which led to an improvement in gross margin due to higher inventory efficiency, thereby achieving a recovery of the Group's performance, which had been sluggish during the COVID-19 pandemic.</p> <p data-bbox="240 1485 1353 1574">Based on his career and achievements as stated above, he is considered to be suitable to be in charge of the overall management of the Group for the achievement of the new medium-term management plan, and the Company proposes his reelection as a Director.</p>		

No.	Name (Date of birth)	Career summary, position, and responsibilities Significant concurrent positions outside the Company
2.	 <p data-bbox="360 667 523 734">Tatsuya Kimura October 7, 1976</p> <p data-bbox="389 779 494 806">Reelection</p> <p data-bbox="325 864 558 954">Number of the Company's shares owned 33,198</p> <p data-bbox="320 981 563 1070">Board of Directors Meeting Attendance 17/17 Meetings (100%)</p>	<p data-bbox="579 349 963 376">January 2002 Joined the Company</p> <p data-bbox="579 389 1347 443">April 2008 Department Manager, Sales Supervising Department, Green Label Relaxing Division of the Company</p> <p data-bbox="579 456 1347 537">July 2011 Deputy General Manager, Business Unit II and Green Label Relaxing Division and Department Manager, Sales Supervising Department of the Company</p> <p data-bbox="579 551 1283 604">April 2016 Executive Officer and General Manager, Green Label Relaxing Division of the Company</p> <p data-bbox="579 618 1347 672">April 2017 Senior Executive Officer and General Manager, Green Label Relaxing Division of the Company</p> <p data-bbox="579 685 1315 739">April 2018 Senior Executive Officer and General Manager, Business Unit II of the Company</p> <p data-bbox="579 752 1315 806">June 2018 Director, Executive Managing Officer, General Manager, Business Unit II of the Company</p> <p data-bbox="579 819 1283 873">November 2020 Director, Executive Vice President, General Manager, Business Unit II of the Company</p> <p data-bbox="579 887 1251 940">April 2021 Director, Executive Vice President and COO of the Company (current)</p> <p data-bbox="579 954 1139 1008">Significant concurrent positions outside the Company Representative Director and President, COEN CO., LTD.</p>
<p data-bbox="244 1081 660 1108">Reasons to elect the candidate for Director</p> <p data-bbox="244 1149 1347 1400">Since joining the Company, Tatsuya Kimura has built his career as Store Manager and contributed to the development of the Green Label Relaxing business as General Manager of the Green Label Relaxing Division. He assumed the position of Director in June 2018 and led the Company's mainstay business as General Manager of Business Unit II responsible for supervision of all businesses of the basic trend-conscious market. Since April 2021, as Chief Operating Officer (COO), he has been responsible for the supervision of business execution related to the Company's supply chain. He has been promoting digital transformation (DX) of the Company's infrastructure, including the construction of a new e-commerce site, digitization of product procurement, and modification of the core system for product control, and contributing to improved operational efficiency and business productivity.</p> <p data-bbox="244 1440 1347 1527">Based on his career and achievements as stated above, he is considered to be suitable to be in charge of building the value chain of the Group for the achievement of the new medium-term management plan, and the Company proposes his reelection as Director.</p>		

No.	Name (Date of birth)	Career summary, position, and responsibilities Significant concurrent positions outside the Company
3.	 <p>Takeo Nakazawa May 8, 1971 New candidate Number of the Company's shares owned 5,657 Board of Directors Meeting Attendance -</p>	<p>July 2004 Joined the Company April 2010 Department Manager, Finance and Accounting Department, Administration Division of the Company April 2020 Executive Officer, responsible for Finance and Accounting Department and Planning and Management Department of the Company April 2021 Executive Officer, CFO, General Manager, Administration Division of the Company (current) Significant concurrent positions outside the Company -</p>
<p>Reasons to elect the candidate for Director</p> <p>Since joining the Company, Takeo Nakazawa has built his career in the Finance and Accounting Department and contributed to the improvement of the Company's financial infrastructure, including accurate investment decision-making and risk control. Subsequently, he assumed the position of Executive Officer, responsible for the Finance and Accounting Department and Plan Administration Department in April 2020, and has contributed to the enhancement of the corporate value of the entire Group through the accurate allocation of investment in growth engines. Since April 2021, as Chief Financial Officer (CFO), he has been responsible for the supervision of the administrative functions throughout the Company, including the Company's risk management and business accounting. Based on his experience and expertise in finance, he was instrumental in maintaining the Company's financial stability and overcoming the deterioration of its financial performance caused by the COVID-19 pandemic.</p> <p>Based on his career and achievements as stated above, he is considered to be suitable to be in charge of finance and governance throughout the Group for the achievement of the new medium-term management plan, and the Company proposes his election as a Director.</p>		

No.	Name (Date of birth)	Career summary, position, and responsibilities Significant concurrent positions outside the Company	
4.	 Kazuyasu Tanaka March 17, 1967 New candidate Number of the Company's shares owned 6,957 Board of Directors Meeting Attendance -	November 2008	Joined the Company as Deputy General Manager, United Arrows Division and Department Manager, Women's Merchandising Department
		April 2013	Executive Officer, General Manager, SBU Division I, Business Unit I of the Company
		April 2015	Executive Officer, General Manager, SBU Division I, Business Unit I and Deputy General Manager, United Arrows Division of the Company
		April 2016	Executive Officer, General Manager, United Arrows Division of the Company
		April 2018	Executive Officer, Deputy General Manager, Business Unit I of the Company
		April 2019	Senior Executive Officer, Deputy General Manager, Business Unit I of the Company
		April 2021	Executive Officer, General Manager, Sales Management Division of the Company
		April 2022	Executive Officer, CMO, Manager, New Business Development Office of the Company (current)
	Significant concurrent positions outside the Company	-	
<p>Reasons to elect the candidate for Director</p> <p>Since joining the Company, Kazuyasu Tanaka has built his career as a manager responsible for the United Arrows business and the small business units (SBU) business and has greatly contributed to the development of the Company's women's label, utilizing his experience as general manager at other companies in the industry and managerial experience at an affiliate of the Company. Subsequently, he assumed the position of Executive Officer, General Manager, Sales Management Division and led the Company's mainstay business, in which capacity he improved the supply chain and pursued organizational reform and other measures. Since April 2022, as Chief Merchandising Officer (CMO), he has been responsible for the supervision of merchandising functions for the enhancement of the product value of the Company. He has been driving appropriate product procurement throughout the Company from the viewpoint of improving profitability.</p> <p>Based on his career and achievements as stated above, he is considered to be suitable to be in charge of merchandising throughout the Group for the achievement of the new medium-term management plan, and the Company proposes his election as a Director.</p>			

Notes:

1. Yoshinori Matsuzaki, a candidate for Director, serves concurrently as Representative Director and Chairman of COEN CO., LTD. Tatsuya Kimura, a candidate for Director, serves concurrently as Representative Director and President of COEN CO., LTD. The Company has business relationships with COEN CO., LTD. that include consignment contracts. There is no special interest between the candidates and the Company except as stated above.
2. The Company has concluded a Directors and Officers liability insurance policy with an insurance company in accordance with Article 430-3, paragraph (1) of the Companies Act with all Officers, etc. of the Company and its subsidiaries as the insured parties, and such policy covers damages that may arise from the bearing of responsibility for the execution of the duties of the insured parties or being subjected to claims related to the pursuit of said responsibility. (However, certain grounds for exemption exist, such as non-compensation for damages arising from actions taken despite recognition of violation of law.) Each candidate for Director in this proposal is already an insured party under this insurance policy, and will remain so following their appointment. The insurance premiums for the insurance contracts are borne in full by the Company, and the Company intends to renew said insurance following the appointment of each candidate as Director.

Proposal 3: Introduction of a performance-linked stock compensation plan for Directors, etc.

1. Reasons for the proposal and reasons why it is deemed appropriate

The Company proposes the introduction of a new performance-linked stock compensation plan (Board Benefit Trust-Restricted Stock or BBT-RS for short, hereinafter the “Plan”) for the Company’s Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors among other Directors; hereinafter the same shall apply in this proposal, unless otherwise specified) and Executive Officers (hereinafter collectively “Directors, etc.”) and requests your approval.

The purpose of this proposal is to clarify the linkage of the remuneration of Directors, etc. with the Company’s performance and stock value, and to ensure that Directors, etc. share with shareholders not only the benefits of an increase in share price but also the risk of a decline in share price, thereby raising the awareness of Directors, etc. concerning their contribution to enhancing the Company’s performance and corporate value over the medium- to long-term. The content of this proposal is deemed appropriate because it is consistent with the Company’s Policy on Determination of Individual Directors’ Remuneration, etc. (see below).

This proposal is to request your approval of the specific calculation method for the amount and specific details of remuneration, etc., to be paid to the Company’s Directors under the Plan, separately from the amount of monetary remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) approved at the 31st Ordinary General Meeting of Shareholders held on June 19, 2020 (up to 350 million yen annually, excluding the employee salaries of Directors who serve concurrently as employees). The Company requests the details of the Plan to be left to the discretion of the Board of Directors within the framework of 2. below.

Separately from monetary remuneration, at the 31st Ordinary General Meeting of Shareholders held on June 19, 2020, regarding a restricted-stock compensation plan for Directors (excluding Directors who are Audit and Supervisory Committee Members), it was approved to revise the upper limit of the amount of monetary remuneration receivables to be provided to eligible Directors to 450 million yen annually and the upper limit for the total number of the Company’s shares to be delivered to eligible Directors to 300,000 shares annually and these limits have been unchanged. Subject to the approval of this proposal at this General Meeting of Shareholders, the said limits under the restricted-stock compensation plan will be abolished and no restricted stock will be newly granted in the future. However, restricted stock already granted will continue to exist.

If Proposal No. 2 is approved as proposed, the number of Directors eligible for the Plan will be four.

The Company’s Audit and Supervisory Committee believes that the introduction of the Plan is appropriate in view of the objective of the Plan, the impact of providing incentives for medium- to long-term performance improvement, etc.

2. Specific calculation method for the amount and specific details of remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a performance-linked stock compensation plan. Under the Plan, the Company’s shares are acquired through a trust (the trust to be established under the Plan, hereinafter the “Trust”) with money contributed by the Company as the source of funds and the Company’s shares and money equivalent to the amount obtained by converting the Company’s shares at market value (hereinafter the “Company Shares, etc.”) will be provided to Directors, etc. in accordance with the Officers’ Share Benefit Regulations to be established by the Company. Based on the Plan, Directors, etc. will

be provided with two types of benefits, “RS (Restricted Stock) benefits” and “PSU (Performance Share Unit) benefits,” and an overview of each type of benefits is described below.

i) RS benefits

With respect to RS benefits, Directors, etc. shall be provided with the Company shares, in principle, at a certain time each year, and money equivalent to the amount obtained by converting the Company shares at market value, in principle, upon their retirement. If Directors, etc. are provided with the Company shares for RS benefits (hereinafter, “RSs”) during their terms of office, they shall enter into a transfer restriction agreement with the Company as described in 3. below prior to the provision of RSs. As a result, disposal by transfer, etc. of RSs that Directors, etc. will be provided with during their terms of office will be restricted until the retirement of the respective Directors, etc.

ii) PSU benefits

With respect to PSU benefits, Directors, etc. shall be provided with the Company Shares, etc., in principle, in the fiscal year following the final year of the medium-term management plan.

(2) Eligible persons under the Plan

Directors (Directors who are Audit and Supervisory Committee Members and other Directors who are Outside Directors are not eligible for the Plan.) and Executive Officers

(3) Trust period

From August 2023 (scheduled) until the termination of the Trust (no specific termination date will be set, and the Trust shall continue as long as the Plan continues. The Plan shall be terminated in the event of delisting of the Company shares, abolition of the Officers’ Share Benefit Regulations, etc.)

(4) Trust amount

Subject to the approval of this proposal, the Company will introduce the Plan for three fiscal years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (such three-fiscal-year period shall be hereinafter referred to as the “Initial Applicable Period,” and the Initial Applicable Period and each three-fiscal-year period commencing after the Initial Applicable Period has elapsed shall be referred to as the “Applicable Period”) and each subsequent Applicable Period and will contribute the money described below to the Trust as the source of funds for acquisition of the Company shares by the Trust to provide the Company Shares, etc. to Directors, etc.

At the time of the establishment of the Trust (August 2023 (scheduled)), the Company will contribute money in an amount estimated to be equivalent to the necessary funds corresponding to the Initial Applicable Period and establish the Trust. As the upper limit of the points to be granted to Directors, etc. under the Plan is 256,100 points per three fiscal years as stated in (6) below, the Company will contribute money in an amount rationally estimated to be necessary to acquire up to 256,100 shares to the Trust, taking into consideration the closing price of the regular trading of shares of common stock of the Company on the Tokyo Exchange immediately before establishing the Trust. For reference, if the closing price on May 9, 2023, which is 1,981 yen, were applied, the funds required would amount to approximately 507 million yen.

Moreover, even after the Initial Applicable Period, by rationally estimating the number of shares required for provision to Directors, etc. under the Plan, the Company shall, in principle, make additional contributions to the Trust in an amount deemed necessary for the preliminary acquisition of such shares for each Applicable Period until the termination of the Plan. However, in making such additional contributions, if the Company shares (excluding the Company shares equivalent to the

number of points granted to Directors, etc. for the immediately preceding Applicable Period whose provision to Directors, etc. has not yet been completed) or money remains in the Trust assets (hereinafter “Residual Shares, etc.”), Residual Shares, etc. will be used as funds for benefits under the Plan in the subsequent Applicable Period. The amount of additional contributions shall be calculated, taking into consideration Residual Shares, etc. If the Company decides to make any additional contributions, it will make an appropriate disclosure in a timely manner.

(Note) The amount of money that the Company will actually contribute to the Trust will be the sum of the above-mentioned funds for share acquisition and the estimated amount of necessary expenses such as the trust fee.

(5) Method of acquisition of the Company shares by the Trust and number of shares to be acquired

Acquisition of the Company shares by the Trust shall be conducted on the stock exchange or by subscribing to treasury stock to be disposed of by the Company, using the funds contributed in accordance with (4) above as the source of funds.

Since the maximum number of points to be granted to Directors, etc. is 256,100 points per three fiscal years as described in (6) below, the maximum number of Company shares to be acquired by the Trust for each Applicable Period is 256,100 shares. Details of the acquisition of the Company shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Upper limit of the number of the Company Shares, etc. to be provided to Directors, etc.

A certain number of points will be granted to Directors, etc., separately for RS benefits and PSU benefits, for each fiscal year, which will be determined in accordance with the Officers’ Share Benefit Regulations, taking into consideration their positions and other factors. The points for PSU benefits will be adjusted in the fiscal year following the final year of the medium-term management plan in accordance with the degree of achievement of the medium-term management plan and other factors. The total number of points to be granted to Directors, etc. per three fiscal years shall be up to 256,100 points (including 165,600 points for Directors). This was determined based on comprehensive consideration of the current level of officer remuneration, the trend of the number of Directors, etc., and future prospects, and is deemed appropriate.

Points granted to Directors, etc. will be converted into one share of the Company’s common stock per point upon the provision of the Company Shares, etc. described in (7) below (provided, however, that if a share split, gratis allotment of shares, or share consolidation, etc. is conducted after the approval of this proposal, the maximum number of points and the number of points that have already been granted or the conversion ratio will be reasonably adjusted according to such ratio, etc.).

The number of shares, 256,100 shares, equivalent to the maximum number of points per three fiscal years to be granted to Directors, etc. as a percentage of the total number of shares issued, 28,495,284 shares (as of March 31, 2023, net of treasury stock), is approximately 0.9%.

The number of points held by Directors, etc. that will be used as the basis for the provision of the Company Shares, etc. as prescribed in (7) below shall, in principle, be the number of points granted to such Directors, etc. by the time of the determination of beneficiary rights described in (7) below and adjusted in the case of PSU benefits (the points calculated in such manner shall be hereinafter referred to as the “Determined Number of Points”).

(7) Provision of the Company Shares, etc. and the specific calculation method of the amount of remuneration, etc.

Directors, etc. who satisfy the requirements for beneficiaries shall, by completing the prescribed procedures for vesting beneficiaries, in principle, receive from the Trust the number of the Company

shares equivalent to the “Determined Number of Points,” which is determined as described in (6) above, at a certain time each year in the case of RS benefits and in the fiscal year following the final year of the medium-term management plan in the case of PSU benefits. Notwithstanding the foregoing, if Directors, etc. satisfy the requirements stipulated in the Officers’ Share Benefit Regulations, they will receive, in principle, monetary benefits equivalent to the market value of the Company shares at the time of their retirement in the case of RS benefits, or in the fiscal year following the final year of the medium-term management plan in the case of PSU benefits, in lieu of provision of the Company shares. The Trust may sell the Company shares in order to provide monetary benefits.

If Directors, etc. receive RSs during their terms of office, they shall, prior to receiving the RSs, enter into a transfer restriction agreement with the Company as described in 3. below. As a result, disposal by transfer, etc. of RSs that Directors, etc. receive during their terms of office will be restricted until the retirement of respective Directors, etc.

In addition, even if a Director, etc. has been granted points, he/she may not acquire the right to receive benefits in the event that he/she retires from office due to certain misconduct during his/her term of office, or in the event that he/she engages in inappropriate conduct during his/her term of office that may cause damage to the Company, and if Company Shares, etc. have already been provided to him/her, the Company may require him/her to return money equivalent to such Company Shares, etc.

The amount of remuneration, etc. to be received by Directors shall be calculated by multiplying the total number of points to be granted to Directors by the book value per share of the Company shares held by the Trust at the time of granting points (provided, however, that if a share split, gratis allotment of shares, or share consolidation, etc. is conducted with respect to the Company shares, a reasonable adjustment shall be made according to such ratio, etc.). Moreover, in an exceptional case in which money is paid in accordance with the provisions of the Officers’ Share Benefit Regulations, such money paid shall be added to the amount, if it is deemed appropriate.

(8) Exercise of voting rights

Voting rights pertaining to the Company shares in the Trust account shall be uniformly non-exercisable in accordance with the instructions of the Trust administrator. By using such method, the Company intends to ensure neutrality toward the Company’s management with respect to the exercise of voting rights pertaining to the Company shares in the Trust account.

(9) Handling of dividends

Dividends on the Company shares in the Trust account will be received by the Trust and will be used to pay for acquiring the Company shares and to pay the trust fee pertaining to the Trust to the trustee. In the event of termination of the Trust, the dividends, etc. remaining in the Trust will be distributed to the Directors, etc. in office at that point in time on a pro rata basis according to the number of points held by each Director, etc., in accordance with the provisions of the Officers’ Share Benefit Regulations.

(10) Treatment upon termination of the Trust

The Trust shall terminate in the event of delisting of the Company shares, the abolition of the Officers’ Share Benefit Regulations, etc.

Of the residual assets of the Trust upon termination of the Trust, all of the Company shares will be acquired by the Company without consideration and then cancelled by a resolution of the Board of Directors. Of the residual assets of the Trust upon termination of the Trust, the Company will receive

the remaining amount of money, excluding the money to be paid to the Directors, etc. in accordance with (9) above.

3. Overview of the transfer restriction agreement pertaining to RSs to be granted to Directors, etc.

If Directors, etc. receive RSs during their terms of office, they shall, prior to receiving RSs, enter into a transfer restriction agreement with the Company (hereinafter the “Transfer Restriction Agreement”) that includes the terms and conditions that are summarized below. (The Directors, etc. shall receive RSs, provided that they enter into the Transfer Restriction Agreement.)

i) Details of transfer restrictions

Directors, etc. may not transfer, create security rights over, or otherwise dispose of the RSs during the period from the date of receipt of the RSs to the date of retirement from all positions as a Director or Executive Officer of the Company or its subsidiaries (hereinafter the “Group”).

ii) Acquisition by the Company without consideration

In the event of certain acts of misconduct, etc., or in the event that the requirements for cancellation of the restrictions on transfer as described in (iii) below are not satisfied, the Company shall acquire the shares concerned without consideration.

iii) Lifting of the transfer restrictions

If a Director, etc. retires from all of his/her positions as a Director or Executive Officer of the Group for justifiable reasons or due to death, the transfer restrictions shall be lifted at that point in time, provided that he/she has been a Director or Executive Officer of the Group continuously from the date of receipt of the RSs to the date of retirement. The number of shares whose transfer restrictions will be lifted shall be rationally adjusted as necessary.

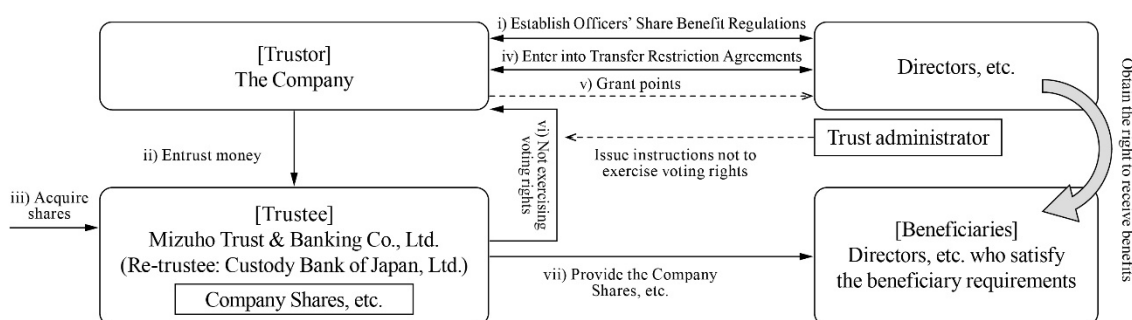
iv) Treatment during reorganization, etc.

If, during the transfer restriction period, matters relating to a merger agreement in which the Company is the dissolving company or some other reorganization are approved at the Company’s General Meeting of Shareholders, the transfer restrictions shall be lifted by a resolution of the Company’s Board of Directors at the time immediately preceding the business day immediately preceding the effective date of the said reorganization, etc.

The RSs subject to the transfer restrictions under the Transfer Restriction Agreement will be managed during the transfer restriction period in a dedicated account opened by each of the eligible Directors, etc. at a securities company designated by the Company so that he/she cannot transfer, create security rights over, or otherwise dispose of the RSs during the transfer restriction period.

In addition to the above, the method for expressing intentions and giving notification in the Transfer Restriction Agreement, the method for amending the Transfer Restriction Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Transfer Restriction Agreement.

<Reference: The Plan's scheme>



- i) The Company will establish the Officers' Share Benefit Regulations within the scope approved with respect to this proposal.
- ii) The Company will entrust money in the Trust within the scope approved with respect to this proposal.
- iii) The Trust will acquire the Company shares using the money entrusted as prescribed in ii) above as the source of funds, either through the stock exchange or by subscribing to the treasury stock to be disposed of by the Company.
- iv) Directors, etc. will enter into Transfer Restriction Agreements with the Company, which include a provision on restrictions of disposal by transfer, etc. of RSs they will receive during their terms of office until their retirement and a clause about the Company's acquisition of RSs without consideration under certain conditions, etc.
- v) The Company will grant points to Directors, etc. in accordance with the Officers' Share Benefit Regulations.
- vi) The Trust will not exercise voting rights with respect to the Company shares in the Trust account in accordance with the instructions of the Trust administrator, which is independent from the Company.
- vii) The Trust will provide the Company shares equivalent to the number of points granted to Directors, etc. who satisfy the requirements for beneficiaries stipulated in the Officers' Share Benefit Regulations (hereinafter "Beneficiaries") and adjusted in the case of PSU benefits, to such Beneficiaries on a certain date each year in the case of RS benefits and in the fiscal year following the final year of the medium-term management plan in the case of PSU benefits. In the case of PSU benefits, the Company shares provided shall be equivalent to the adjusted number of points. However, if Directors, etc. satisfy the requirements stipulated in the Officers' Share Benefit Regulations, regarding a certain percentage of the points, they will be paid money equivalent to the market value of the Company shares at the time of their retirement in the case of RS benefits and in the fiscal year following the final year of the medium-term management plan in the case of PSU benefits.

Policy on Determination of Individual Directors' Remuneration, etc.

1. Basic policy

The Company's officer remuneration shall be designed so that remuneration criteria and remuneration composition are aligned with roles, duties and positions under a basic policy of contributing to sustained growth and enhancement of corporate value over the medium- to long-term through increased performance. The remuneration of Executive Directors (excluding Directors who are Audit and Supervisory Committee Members) including Representative Directors comprises fixed remuneration based on the remuneration criteria of role, duties and position, officers' bonuses that reflect short-term performance such as the Company's performance for each fiscal year and the degree of achievement of individually set performance targets, and stock compensation (Board Benefit Trust (BBT)) that reflects the medium- to long-term performance.

2. Policy on the determination of individual Directors' remuneration, etc. concerning base remuneration (monetary remuneration)

The base remuneration of the Company's Directors shall be monthly fixed remuneration. Each Director's remuneration shall be determined based on a third-party survey of the remuneration of business managers and the remuneration criteria of relevant roles, duties and positions, taking into consideration the remuneration levels of other companies in the same industry or companies of a similar size, the Company's performance, and employee salary levels.

3. The details of performance indicators concerning officers' bonuses (monetary remuneration that falls under performance-linked remuneration, etc.) and policy on the determination of the calculation method for the amount of remuneration, etc.

The amount of officers' bonuses for the Company's Executive Directors shall be calculated by multiplying the base bonus amount specified in the Director's remuneration table by the rate of achievement of the initial plan for consolidated operating profit for the applicable fiscal year and by taking into consideration the evaluation of each Executive Director. Regarding the allocation to each Executive Director, it is designed such that the higher the rank in the Directors' remuneration table, the higher the bonus coefficient (the ratio of bonus to the total amount of base remuneration and bonus), with the aim of strengthening their commitment to the single-year management targets. In principle, bonuses are not paid if consolidated operating profit is below a certain level relative to the initial performance forecast. If officers' bonuses are to be paid, the proposed amount shall be determined by the Board of Directors after consultation with the Nomination and Compensation Committee, and bonuses shall be paid within a certain period of time after the last day of the fiscal year.

4. The details of performance indicators concerning stock compensation (non-monetary remuneration including stock compensation that falls under performance-linked remuneration, etc.) and the details of remuneration, etc., and the policy on the determination of the amount and/or the quantity of remuneration, etc., and the calculation method therefor

Stock compensation for the Company's Executive Directors is designed such that the higher the rank in the Directors' remuneration table, the higher the ratio of stock compensation to the total remuneration, with the aim of strengthening their initiatives to improve the corporate value over the medium- to long-term and to further promote shared value with shareholders. Stock compensation consists of restricted-stock compensation, which is subject to transfer restrictions until they retire from office as a Director or as an Executive Officer of the Company or the Group companies, and performance-linked stock compensation, which is provided according to the degree of achievement

of the medium-term management plan, with the aim of strengthening their commitment to the achievement of the medium-term management plan.

Restricted-stock compensation shall be provided to Directors upon their election as Executive Directors at each year's Ordinary General Meeting of Shareholders, on the condition that they remain in office as the Company's Executive Directors during the period covered by the medium-term management plan. The number of shares to be granted is determined based on the remuneration criteria of the roles, duties and positions of Directors, and the shares are subject to transfer restrictions until they retire from office as a Director or as an Executive Officer of the Company or the Group companies.

Basic indicators for performance-linked stock compensation shall be the degree of achievement of the Company's consolidated operating profit and that of consolidated return on equity (ROE). If the Board of Directors sets other indicators for the applicable medium-term management plan, such indicators shall be included in the calculation, and stock compensation shall be provided after the completion of the period covered by the medium-term management plan in accordance with the duration of each Director's term of office.

With respect to both restricted-stock compensation and performance-linked stock compensation, in the event that the General Meeting of Shareholders or the Board of Directors resolves to dismiss an eligible Executive Director, or in the event of certain misconduct or inappropriate behavior that may cause damage to the Company during his/her term of office or even after retirement, based on a resolution by the Board of Directors, the Executive Director may be required to return the economic value equivalent to the shares and money he/she received.

The above-mentioned stock compensation shall be provided through a stock delivery trust established by the Company, which acquires the Company shares and delivers Company shares to eligible Directors. Specifically, in accordance with the Officers' Share Benefit Regulations established by the Board of Directors, points shall be granted to eligible Executive Directors in accordance with the remuneration criteria of the roles, duties and positions of Directors, and the number of the Company's shares corresponding to the number of points granted and calculated in accordance with the Officers' Share Benefit Regulations established by the Board of Directors shall be delivered.

5. Policy on the determination of composition ratios of the amount of monetary remuneration, the amount of performance-linked remuneration, etc. or the amount of non-monetary remuneration, etc. to the amount of individual Directors' remuneration, etc.

The officers' remuneration of the Company's Executive Directors comprises "fixed remuneration," "officers' bonuses," and "stock compensation" ("restricted-stock compensation" and "performance-linked stock compensation"). If the amount of "officer's bonuses" and the amount of "stock compensation" are standard amounts, the composition of remuneration shall be determined based on the policy indicated below.

Remuneration composition ratio	Fixed remuneration Approx. 48-58%	Officers' bonuses Approx. 20-22%	Restricted-stock compensation Approx. 11-15%	Performance-linked stock compensation Approx. 11-15%
Form	Money		Shares	

- Notes:
- 1 Composition ratios are different according to the Director's duties, etc.
 - 2 The above diagram represents calculations based on certain levels for the Company's performance and the Company's share price. The above ratios will also fluctuate according to fluctuations in the Company's performance, etc.
 - 3 The indicators for each type of performance-linked remuneration are as indicated below.

Monetary remuneration	Stock compensation
Consolidated operating profit target achievement rate	Consolidated operating profit target achievement rate, consolidated ROE, and other indicators specified by the Board of Directors

6. Policy on the determination of the timing or conditions for providing remuneration, etc. to Directors

The remuneration of the Company's Directors shall be provided to each Director within the total amount determined by the General Meeting of Shareholders separately for Directors who are Audit and Supervisory Committee Members and Directors who are not Audit and Supervisory Committee Members. Of the remuneration, the base remuneration (monetary remuneration), which is fixed monthly remuneration, shall be paid on a predetermined date each month as a monthly salary in the amount of one-twelfth of the annual salary. The timing of payment of officers' bonuses (monetary remuneration that falls under performance-linked remuneration, etc.) and stock compensation (non-monetary remuneration, etc. (including stock compensation that falls under performance-linked remuneration, etc.)) is as described in 3 and 4 above.

7. Matters concerning the method of determination of the details of individual Directors' remuneration, etc.

The Company has established the Nomination and Compensation Committee in order to further enhance transparency and fairness concerning the determination of remuneration, etc., reflecting appropriate advice received from independent Outside Directors. Remuneration for individual Directors who are not Audit and Supervisory Committee Members is determined by resolution of the Board of Directors, in accordance with the above policy, within the limit set by resolution of the General Meeting of Shareholders. In determining remuneration, the Company consults with the Nomination and Compensation Committee and takes into consideration the deliberations and reports of the Committee. In addition to the above, the Nomination and Compensation Committee examines the appropriateness of the policy, composition, remuneration table, and calculation rules related to Directors' remuneration, etc., and submits proposals for revisions.

Reference: Expertise and Experience of Directors and Executive Officers (Skills Matrix)

Management structure after the conclusion of this Ordinary General Meeting of Shareholders

◎ Main areas of responsibility; ○ Areas of expertise

			Corporate management	Shop operation Customer relations	Procurement SCM	Branding Marketing	R&D New business development	e-commerce	Logistics
Directors	Director and CEO	Yoshinori Matsuzaki	◎	○	○	○	◎		
	Director and COO	Tatsuya Kimura	◎	○	○	○		○	◎
	Director and CFO	Takeo Nakazawa	◎						
	Director and CMO (*1)	Kazuyasu Tanaka	◎	○	◎	○	◎		○
	Outside Director	Yukari Sakai							
	Outside Director	Yusaku Kurahashi							
	Outside Director	Shiho Takano	○			○			
Executive Officers	CCO (*2)	Shinya Matsumoto		○	◎	◎	○		
	CCO (*3)	Hisashi Takayama		◎					
	CDO (*4)	Yoshiaki Fujihara				◎	○	◎	
	CIO (*5)	Yuji Suzumura						○	○
	CHRO (*6)	Mariko Yamasaki				○			
	CSO (*7)	Satoshi Tan							

			ICT/DX	Personnel Human resources development	Legal affairs Risk compliance Governance	Finance Accounting Taxation	Global	Sustainability
Candidate for Director	Director and CEO	Yoshinori Matsuzaki			○		◎	○
	Director and COO	Tatsuya Kimura	◎				○	
	Director and CFO	Takeo Nakazawa			◎	◎		
	Director and CMO (*1)	Kazuyasu Tanaka						
	Outside Director	Yukari Sakai			○	○		
	Outside Director	Yusaku Kurahashi			○			
	Outside Director	Shiho Takano						
Executive Officer	CCO (*2)	Shinya Matsumoto						◎
	CCO (*3)	Hisashi Takayama		○				
	CDO (*4)	Yoshiaki Fujihara	○					
	CIO (*5)	Yuji Suzumura	◎					
	CHRO (*6)	Mariko Yamasaki		◎				
	CSO (*7)	Satoshi Tan			○	○		◎

(*1) CMO: Chief Merchandising Officer / (*2) CCO: Chief Creative Officer

(*3) CCO: Chief Customer Officer / (*4) CDO: Chief Digital Officer

(*5) CIO: Chief Information Officer / (*6) CHRO: Chief Human Resource Officer

(*7) CSO: Chief Sustainability Officer

*The matrix above does not indicate all expertise and experience of each person.

Reference: Independence Criteria for Independent Officers

<p>The Company has established “Independence Criteria for Independent Officers” as follows, and deems that any Independent Officers who do not fall under any of the following items possess adequate independence from the Company.</p> <ol style="list-style-type: none">(1) A major shareholder of the Company (Note 1) or a person who performs executive roles therein;(2) A party for whom the Company is a major business partner (Note 2) or a person who performs executive roles therein;(3) A major business partner of the Company (Note 3) or a person who performs executive roles therein;(4) A major lender to the Company (Note 4) or a person who performs executive roles therein;(5) A consultant, accounting advisor, or legal advisor who receives a large amount of money or other property (Note 5) except for officers’ remuneration from the Company or its subsidiaries (or if the party who receives such property is an organization, such as a corporation and association, a person belonging to that organization);(6) A person who received donations totaling more than 10 million yen from the Company or its subsidiaries in the latest business year (or if the party who receives such donations is an organization, such as a corporation and association, a person belonging to such organization);(7) A person who performs executive roles in a company in which a person who performs executive roles in the Company or its subsidiaries is an incumbent outside director or outside corporate auditor;(8) A person who would have fallen under any of items (1) through (7) in the past three (3) years; or(9) A close relative (the spouse or a relative of up to the second degree of kinship) of those who fall under any of items i) through iii) below, except for persons who are deemed to be unimportant for the purpose hereof:<ol style="list-style-type: none">i) A person to whom any of items (1) through (8) applies;ii) A person who performs executive roles in the Company’s subsidiaries, oriii) A person who would have fallen under ii) or a person who performed executive roles in the Company in the past three (3) years. <p>Note 1: “A major shareholder” refers to a shareholder who directly or indirectly owns 10% or more of the voting rights of the Company.</p> <ol style="list-style-type: none">2. “A party for whom the Company is a major business partner” refers to a business partner of the Company who received payments from the Company or its subsidiaries in excess of the higher of 100 million yen or 2% of its group’s consolidated sales in terms of the transaction amounts in its latest business year.3. “A major business partner of the Company” refers to a business partner of the Company who made payments to the Company or its subsidiaries equivalent to more than 2% of the Group’s consolidated sales in terms of the transaction amounts in the latest business year.4. “A major lender to the Company” refers to a lender to the Company from which total borrowings of the Company or its subsidiaries at the end of the latest business year exceeds 2% of the Group’s consolidated total assets.5. “A large amount of money or other property” refers to money or other property which value in total exceeds 10 million yen annually on average for the latest three (3) business years.
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End