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Securities Code: 8218

(May 31, 2024)

Start date of measures for providing information in electronic format: May 24, 2024

To our shareholders:

Yuichiro Sasage  
President and CEO  
**KOMERI CO., LTD.**  
4501-1, Shimizu, Minami-ku, Niigata-shi

## NOTICE OF THE 63RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 63rd Ordinary General Meeting of Shareholders of KOMERI CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet, etc. or in writing (postal mail). Please exercise your voting rights no later than Thursday, June 20, 2024 at 6:00 p.m. (Japan Standard Time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.

When convening the General Meeting of Shareholders, the Company takes measures for electronic provision of information that constitutes the content of Reference Documents for the General Meeting of Shareholders (items for which the measures for providing information in electronic format will be taken). This information is posted on each of the following websites, so please access either of the websites to confirm the information.

The Company’s website:

[https://www.komeri.bit.or.jp/ir/general\\_meeting/](https://www.komeri.bit.or.jp/ir/general_meeting/) (in Japanese)

Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “KOMERI” in “Issue name (company name)” or the Company’s securities code “8218” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

- 1. Date and Time:** Friday, June 21, 2024 at 10:00 a.m. (Japan Standard Time)  
(Reception to begin at 9:00 a.m.)
- 2. Venue:** Large Conference Room (4th Floor), Head Office of the Company  
4501-1, Shimizu, Minami-ku, Niigata-shi

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 63rd Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 63rd Term (from April 1, 2023 to March 31, 2024)

#### Items to be resolved:

<Proposals from the Company (Proposal No. 1 to Proposal No. 3)>

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members) |
| <b>Proposal No. 2</b> | Election of Three (3) Directors Serving as Audit and Supervisory Committee Members |
| <b>Proposal No. 3</b> | Election of Accounting Auditor   |

<Proposals from our shareholder (Proposal No. 4 and Proposal No. 5)>

**Proposal No. 4** Partial Amendment to the Articles of Incorporation (Organization for Determining Dividends of Surplus, Etc.)

**Proposal No. 5** Appropriation of Surplus

## Reference Documents for the General Meeting of Shareholders

<Proposals from the Company (Proposal No. 1 to Proposal No. 3)>

### **Proposal No. 1** Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members)

All nine (9) current Directors (excluding Audit and Supervisory Committee Members, the same shall apply hereinafter for this proposal) will conclude their terms of office at the conclusion of this meeting.

Accordingly, the Company proposes that nine (9) Directors be elected.

The Audit and Supervisory Committee of the Company has determined that all of the candidates for Directors in this proposal are qualified to serve as Director.

The candidates for Director were resolved to be nominated after the deliberations at the Nomination and Remuneration Committee, a voluntary committee with a majority of Independent Outside Directors.

The candidates for Director are listed below.

No.	Name		Current position in the Company	
1	Yuichiro Sasage	Male	President and Chief Executive Officer	Reelection
2	Tadashi Tanabe	Male	Director and Managing Executive Officer	Reelection
3	Hiroshi Hayakawa	Male	Director and Managing Executive Officer	Reelection
4	Naoshi Hosaka	Male	Director and Managing Executive Officer	Reelection
5	Shuichi Matsuda	Male	Outside Director	Reelection Outside Independent
6	Hironu Wada	Male	Outside Director	Reelection Outside Independent
7	Misako Kikuchi	Female	Outside Director	Reelection Outside Independent
8	Katsushi Suzuki	Male	Director and Executive Officer	Reelection
9	Shigeyuki Mori	Male	Director and Executive Officer	Reelection

Reelection: Candidate for reappointment as Director

Outside: Candidate for Outside Director

Independent: Independent Director as stipulated by the Stock Exchange

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
1	<p>Yuichiro Sasage (May 20, 1956)</p> <p>Reelection</p> <p>Number of years in office 32 years</p> <p>Attendance at Board of Directors' Meetings 12/12 (100%)</p>	<p>Apr. 1988      Joined the Company</p> <p>June 1992      Director of the Company</p> <p>Mar. 1996      Managing Director of the Company</p> <p>June 1997      Executive Director of the Company</p> <p>June 2002      Executive Vice-President of the Company</p> <p>June 2003      President and COO of the Company</p> <p>June 2014      President, CEO and COO of the Company</p> <p>June 2020      President and Chief Executive Officer of the Company (present positions)</p> <p>[Significant concurrent positions outside the Company]</p> <p>President, HOKUSEI SANGYO Co., Ltd.</p> <p>President, LIFE KOMERI Inc.</p> <p>President, MOVIE TIME Co., Ltd.</p> <p>President, Bit-A Co., Ltd.</p> <p>President, KOMERI CAPITAL Co., Ltd.</p> <p>President, KOMERI CREATE Co., Ltd.</p> <p>President, KOMERI SUPPORT Co., Ltd.</p> <p>Chairman, KOMERI Midori Ikuseizaidan (Public Interest Incorporated Foundation)</p> <p>Chairman, KOMERI Disaster Management Center (Non-profit Organization)</p>	1,374,921
<p>[Reasons for nomination as a candidate for Director]</p> <p>Yuichiro Sasage, since being appointed as President in June 2003, has devoted himself to the further expansion of the home center business, including the development of "Power" store format, and in addition, has demonstrated responsibility and leadership in the expansion of the Group's business in his position as Chief Executive Officer (CEO) since June 2014; he has been appropriately supervising management in general. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>			
2	<p>Tadashi Tanabe (September 1, 1958)</p> <p>Reelection</p> <p>Number of years in office 12 years</p> <p>Attendance at Board of Directors' Meetings 12/12 (100%)</p>	<p>Mar. 1981      Joined the Company</p> <p>June 2009      Executive Officer of the Company</p> <p>June 2012      Director and Executive Officer of the Company</p> <p>May 2018      Managing Director and Managing Executive Officer of the Company</p> <p>June 2020      Director and Managing Executive Officer Responsible for Store Operations, Overseas Business Operations, General Manager of Quality Control Department and Responsible for Compliance of the Company</p> <p>May 2023      Director and Managing Executive Officer Responsible for Store Operations, Overseas Business Operations, and Compliance of the Company (present positions)</p>	6,218
<p>[Reasons for nomination as a candidate for Director]</p> <p>Tadashi Tanabe has been involved in the operations of the Merchandising Department, including purchasing/procurement and product development for many years, and has extensive knowledge and experience in operations at various store formats including "Power," "PRO," "Hard &amp; Green," and "Athena." He also has been engaged in the affairs of the construction and remodeling businesses. He has helped boost the Group's corporate value through the use of his extensive knowledge. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>			

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities		Number of the Company's shares owned
3	Hiroshi Hayakawa (August 22, 1963)	Aug. 1985	Joined the Company	8,832
	Reelection	Jan. 2011	Executive Officer of the Company	
	Number of years in office 12 years	June 2012	Director and Executive Officer of the Company	
	Attendance at Board of Directors' Meetings 12/12 (100%)	June 2021	Director and Managing Executive Officer of the Company	
		Apr. 2024	Director and Managing Executive Officer Responsible for Finance and Accounting, Strategic Planning, Affiliate Company, and Public Relations of the Company (present positions)	
		[Significant concurrent positions outside the Company]		
		President, KOMERI SUPPORT Co., Ltd.		
		Managing Director, LIFE KOMERI Inc.		
		Managing Director, MOVIE TIME Co., Ltd.		
	[Reasons for nomination as a candidate for Director] Hiroshi Hayakawa has proactively shared his opinions at Board of Directors' meetings as the Director responsible for the strategic planning department, and has appropriately supervised management. In addition, as the Director responsible for management of affiliated companies, he has enhanced the synergy of Group businesses and helped boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			
4	Naoshi Hosaka (February 28, 1969)	Mar. 1994	Joined the Company	4,100
	Reelection	June 2012	Executive Officer of the Company	
	Number of years in office 10 years	June 2014	Director and Executive Officer of the Company	
	Attendance at Board of Directors' Meetings 12/12 (100%)	June 2023	Director and Managing Executive Officer Responsible for Store Development and Construction, and General Manager of Store Planning Department of the Company (present positions)	
		[Reasons for nomination as a candidate for Director] Naoshi Hosaka has extensive knowledge and experience in store management as the Director responsible for development and construction as well as store planning. He also has been engaged in improving profits from store operations, including improving productivity at stores and evolving the standard model for each format, and has helped to boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.		

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
5	<p>Shuichi Matsuda (October 1, 1943)</p> <p>Reelection Outside Independent</p> <p>Number of years in office 24 years</p> <p>Attendance at Board of Directors' Meetings 12/12 (100%)</p>	<p>Apr. 1986 Associate Professor of Waseda University System Research Institute</p> <p>Apr. 1991 Professor of Waseda University System Research Institute</p> <p>Apr. 1997 Professor of MBA Program, Waseda University Graduate School of Asia-Pacific Studies</p> <p>June 2000 Outside Director of the Company (present position)</p> <p>Apr. 2007 Professor of Technology Management, Waseda University Graduate School of Commerce</p> <p>Apr. 2012 Emeritus Professor of Waseda University (present position)</p> <p>[Significant concurrent positions outside the Company] Founder of WERU INVESTMENT CO., LTD. Emeritus Professor of Waseda University</p>	6,100
<p>[Reasons for nomination as a candidate for Outside Director and outline of roles expected] Shuichi Matsuda has no direct experience in corporate management other than having served as an Outside Director; however, the Company proposes his continuous election as an Outside Director, anticipating that he will perform the role of overseeing the Company's management by providing beneficial suggestions on management in general through his expertise as a long-standing university professor as well as his broad perspective, management knowledge and extensive experience as the Outside Director of other companies.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Shuichi Matsuda and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>			
6	<p>Hiromu Wada (February 10, 1951)</p> <p>Reelection Outside Independent</p> <p>Number of years in office 4 years</p> <p>Attendance at Board of Directors' Meetings 11/12 (91.7%)</p>	<p>Dec. 1993 Retired from Isuzu Motors Limited</p> <p>Apr. 1994 Assistant Professor of Department of Design, Nagaoka Institute of Design</p> <p>Apr. 1998 Professor of Department of Design, Nagaoka Institute of Design</p> <p>Apr. 2009 Member of Board of Trustees of Nagaoka Institute of Design</p> <p>Apr. 2012 President of Nagaoka Institute of Design</p> <p>Apr. 2014 President, and Vice President of Board of Trustees of Nagaoka Institute of Design (retired on March 31, 2020)</p> <p>June 2020 Outside Director of the Company (present position)</p> <p>July 2020 Emeritus Professor of Nagaoka Institute of Design (present position)</p> <p>[Significant concurrent positions outside the Company] Emeritus Professor of Nagaoka Institute of Design</p>	1,500
<p>[Reasons for nomination as a candidate for Outside Director and outline of roles expected] Hiromu Wada has no direct experience in corporate management other than having served as an Outside Director; however, he has strong expertise as an industrial designer and abundant experience in management, having long been engaged in education and research at Nagaoka Institute of Design and served as president and vice president of board of the university. The Company proposes his continuous election as an Outside Director, anticipating that he will perform the role of overseeing the Company's management from a management perspective by providing beneficial suggestions from perspectives of management and customers through his broad perspective and extensive experience.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Hiromu Wada and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>			

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities		Number of the Company's shares owned
7	Misako Kikuchi (August 2, 1961)  Reelection Outside Independent  Number of years in office 2 years  Attendance at Board of Directors' Meetings 12/12 (100%)	Apr. 1984 May 2001  Apr. 2006  June 2009  Apr. 2015  Oct. 2018  June 2022  [Significant concurrent positions outside the Company] Auditor of St. Luke's International University Outside Director, OKAMURA CORPORATION	Joined MITSUI & CO., LTD. General Manager of Public Relations Department, Corporate Communications Division of MITSUI & CO., LTD. General Manager of Corporate Branding & Communications Department, CSR Promotion Division of MITSUI & CO., LTD. General Manager of Global Environment Department, CSR Promotion Division of MITSUI & CO., LTD. General Manager of Environmental-Social Contribution Division of MITSUI & CO., LTD. President and CEO of Mitsui Bussan Forest Co., Ltd. (retired in June 2022) Outside Director of the Company (present position)	400
	<p>[Reasons for nomination as a candidate for Outside Director and outline of roles expected] Misako Kikuchi has strong expertise and abundant experience in the management of the Company, she has long been responsible for Corporate Communications, Sustainability, Diversity, Environmental Risk Management, Social Contribution Activities, etc. at MITSUI &amp; CO., LTD., and served as President of the Mitsui Bussan Forest Co., Ltd. The Company proposes her continuous election as an Outside Director since she is deemed sufficient to perform the role of overseeing the Company's management based on her broad perspective and extensive experience.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Misako Kikuchi and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. She has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If her reappointment is approved, she will continue to be registered as an Independent Officer.</p>			
8	Katsushi Suzuki (June 23, 1964)  Reelection  Number of years in office 10 years  Attendance at Board of Directors' Meetings 12/12 (100%)	Mar. 1988 June 2012 June 2014 May 2024  [Significant concurrent positions outside the Company] Managing Director, Bit-A Co., Ltd.	Joined the Company Executive Officer of the Company Director and Executive Officer of the Company Director and Executive Officer, and General Manager of Card Business Promotion Department of the Company (present positions)	2,500
	<p>[Reasons for nomination as a candidate for Director] Katsushi Suzuki has helped boost the Group's corporate value as the Director in charge of new business development including Internet business. He also has extensive knowledge and experience in business reorganization aimed at enhancing the efficiency of the Group's operations. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Group's corporate value.</p>			

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
9	Shigeyuki Mori (August 20, 1969)  Reelection  Number of years in office 3 years  Attendance at Board of Directors' Meetings 12/12 (100%)	Mar. 1993      Joined the Company May 2018      Executive Officer of the Company June 2021      Director and Executive Officer of the Company Dec. 2023      Director and Executive Officer Responsible for Human Resources and General Affairs, and General Manager of Human Resources and Education Department of the Company (present positions)	6,400
[Reasons for nomination as a candidate for Director] Shigeyuki Mori has been involved in store operations in new trade areas, business reforms in the field of operation systems, and designing of operation procedures for a range of areas including Internet business, leasing operation, General Affairs Department and Customer Service Office. He also has extensive knowledge and experience in human resources department, in which he took initiatives for building human resources organization, recruiting, developing human resources, and improving labor share. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			

- Notes:
1. The Company has established, as a voluntary advisory body to the Board of Directors, the Nomination and Remuneration Committee with a majority of Independent Outside Directors. The committee serves to ensure fairness, transparency, and objectivity in procedures to determine nomination of and remuneration for Directors and Executive Officers, leveraging the knowledge and advice of the Independent Outside Directors on deliberations for nomination of and remuneration for Directors and Executive Officers. The Company has thereby further enhanced a supervisory function and a corporate governance function of the Board of Directors.
  2. None of the candidates has a special interest in the Company.
  3. Shuichi Matsuda, Hiromu Wada and Misako Kikuchi are all candidates for Outside Director.
  4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shuichi Matsuda, Hiromu Wada and Misako Kikuchi to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned agreement with them.
  5. Career summaries and other information for each of the above candidates are as of May 14, 2024.



**Proposal No. 2** Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

All three (3) current Directors serving as Audit and Supervisory Committee Members will conclude their terms of office at the conclusion of this meeting. Accordingly, the Company proposes that three (3) Directors serving as Audit and Supervisory Committee Members be elected.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

This proposal was resolved after the deliberations at the Nomination and Remuneration Committee, a voluntary committee with a majority of Independent Outside Directors.

If Proposal No. 1, “Election of Nine (9) Directors (Excluding Audit and Supervisory Committee Members)” and this proposal are approved and adopted, the number of Independent Officers as stipulated by the Tokyo Stock Exchange, Inc. shall be five (5), and at least one-third of the Company’s Directors shall be Independent Officers.

The candidates for Director serving as Audit and Supervisory Committee Member are listed below.

No.	Name		Current position in the Company	
1	Shojiro Sumiyoshi	Male	Director (Standing Audit and Supervisory Committee Member)	Reelection
2	Zenroku Fujita	Male	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent
3	Toshiyuki Takeishi	Male		New Election Outside Independent

Reelection: Candidate for reappointment as Director

New Election: Candidate for newly appointed Director

Outside: Candidate for Outside Director

Independent: Independent Director as stipulated by the Stock Exchange

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
1	<p>Shojiro Sumiyoshi (December 4, 1947)</p> <p>Reelection</p> <p>Number of years in office as Director serving as Audit and Supervisory Committee Member</p> <p>4 years</p> <p>Attendance at Board of Directors' Meetings 12/12 (100%)</p> <p>Attendance at Audit and Supervisory Committee 12/12 (100%)</p>	<p>June 2002      Joined the Company</p> <p>June 2002      Director of the Company</p> <p>June 2003      Executive Officer of the Company</p> <p>June 2009      Director of the Company</p> <p>June 2012      Standing Audit &amp; Supervisory Board Member of the Company</p> <p>June 2020      Director of the Company (Standing Audit and Supervisory Committee Member) (present position)</p> <p>[Significant concurrent positions outside the Company] Audit &amp; Supervisory Board Member, LIFE KOMERI Inc. Audit &amp; Supervisory Board Member, HOKUSEI SANGYO Co., Ltd.</p>	12,600
<p>[Reasons for nomination as a candidate for Director serving as Audit and Supervisory Committee Member] The Company proposes that Shojiro Sumiyoshi be elected as a Director, serving as Audit and Supervisory Committee Member since he is deemed capable of making a valuable contribution to the Company's Audit and Supervisory Committee activities based on his abundant knowledge and experience of overall store operation management.</p>			

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
2	<p>Zenroku Fujita (April 12, 1948)</p> <p>Reelection Outside Independent</p> <p>Number of years in office as Outside Director serving as Audit and Supervisory Committee Member</p> <p>4 years</p> <p>Attendance at Board of Directors' Meetings 12/12 (100%)</p> <p>Attendance at Audit and Supervisory Committee 12/12 (100%)</p>	<p>Apr. 1980 Registered as an attorney June 1985 Opened Fujita Law Office (to the present day)</p> <p>Apr. 1990 Vice-President of Niigata Bar Association June 2000 Outside Audit &amp; Supervisory Board Member of the Company</p> <p>Apr. 2003 Vice-President of Niigata Bar Association Apr. 2007 President of Niigata Bar Association Apr. 2011 Vice-President of Japan Federation of Bar Associations</p> <p>Apr. 2015 Chairman of Kanto Federation of Bar Associations</p> <p>June 2020 Outside Director of the Company (Audit and Supervisory Committee Member) (present position)</p> <p>[Significant concurrent positions outside the Company] Outside Audit &amp; Supervisory Board Member of Fukuda Road Co., Ltd</p>	5,300
<p>[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and outline of roles expected] Zenroku Fujita has no direct experience in corporate management other than having served as an Outside Director. However, the Company proposes his election as an Outside Director serving as Audit and Supervisory Committee Member, anticipating that he will be able to make a valuable contribution to the Company's Audit and Supervisory Committee activities based on his legal expertise and experience as an attorney.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Zenroku Fujita and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer. The Company has paid attorney fees to him that exceeded ¥10 million in the 63rd Term. However, these payments pertain to a long-term case and, when calculated on an annual basis, do not exceed ¥10 million. Therefore, the Company deems that these are not transactions that might affect the Company's decision-making and that independence is adequately ensured.</p>			

No.	Name (Date of birth)	Career summary, position in the Company and responsibilities	Number of the Company's shares owned
	Toshiyuki Takeishi (February 21, 1977)  New Election Outside Independent	Apr. 2000      Joined THE TAIKO BANK, LTD. (Retired in January 2002) Dec. 2004      Joined Deloitte Touche Tohmatsu LLC (Retired in September 2016) July 2009      Registered as certified public accountant Nov. 2016      Established Takeishi Certified Public Accountant Office (to the present day) Jan. 2017      Registered as certified public tax accountant Mar. 2018      Representative Director of ORM Consulting Co., Ltd. (present position) [Significant concurrent positions outside the Company] Representative Director of ORM Consulting Co., Ltd.	-
3	<p>[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member and outline of roles expected]</p> <p>Toshiyuki Takeishi has worked at a financial institution and has associated with a major audit corporation for 12 years, and is therefore very familiar with the audit operations of large companies. He has strong expertise and abundant experience in corporate management, possessing qualifications as a certified public accountant and certified public tax accountant. He has established his own certified public accountant office and founded a consulting company, taking on the role of Representative Director. The Company proposes his election as an Outside Director serving as Audit and Supervisory Committee Member since he is deemed sufficient to perform the role of overseeing the Company's management based on his broad perspective and extensive experience.</p> <p>[Matters related to independence of the candidate]</p> <p>Toshiyuki Takeishi previously worked for Deloitte Touche Tohmatsu LLC, the Company's Accounting Auditor, but retired from there seven years and eight months ago. Since there is no transactional relationship between him and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He is planned to be designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange.</p>		

- Notes:
- The Company has established, as a voluntary advisory body to the Board of Directors, the Nomination and Remuneration Committee with a majority of Independent Outside Directors. The committee serves to ensure fairness, transparency, and objectivity in procedures to determine nomination of and remuneration for Directors and Executive Officers, leveraging the knowledge and advice of the Independent Outside Directors on deliberations for nomination of and remuneration for Directors and Executive Officers. The Company has thereby further enhanced a supervisory function and a corporate governance function of the Board of Directors.
  - None of the candidates has a special interest in the Company.
  - Zenroku Fujita and Toshiyuki Takeishi are both candidates for Outside Director.
  - Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shojiro Sumiyoshi and Zenroku Fujita to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned agreement with them.  
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Toshiyuki Takeishi to limit his liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreement shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act.
  - Career summaries and other information for each of the above candidates are as of May 14, 2024.

<Reference>

[Nomination procedures and policies for the candidates for Director]

To achieve sustainable growth and enhanced corporate value over the medium and long term, the Company intends to nominate candidates with extensive experience and deep insight as well as qualities to fulfill the role and the responsibility of Director in light of business experience, track records, task execution capability and expertise, while taking the Board diversity into consideration.

As for candidates for the Board of Directors, the Board of Directors selects candidates through deliberation and report of the Nomination and Remuneration Committee, after consultation among the Representative Director, other executive directors and the director in charge of human resources.

[Our Policy related to independence of the Outside Director]

The Company shall appoint a person from a business partner that does not exceed 2% of the annual consolidated sales for the most recent three years, or an individual whose annual transaction amount does not exceed ¥10 million, who has extensive knowledge in finance, accounting, law, management, etc., and experience in corporate management, etc., and who has no risk of conflict of interest with general shareholders.

[Experience, knowledge, skills, etc. of Directors if the proposal is approved (skills matrix)]

Name	Position in the Company	Corporate Management	Finance/ Accounting	Business Creation	Knowledge of the Industry	Product Service	Logistics
Yuichiro Sasage	President and CEO Nomination and Remuneration Committee member	●		●	●	●	●
Tadashi Tanabe	Director and Managing Executive Officer				●	●	●
Hiroshi Hayakawa	Director and Managing Executive Officer	●	●	●	●	●	
Naoshi Hosaka	Director and Managing Executive Officer	●		●	●		
Shuichi Matsuda	Outside Director Nomination and Remuneration Committee member	●	●	●	●		
Hiromu Wada	Outside Director Nomination and Remuneration Committee member	●				●	
Misako Kikuchi	Outside Director	●					
Katsushi Suzuki	Director and Executive Officer				●		●
Shigeyuki Mori	Director and Executive Officer			●	●		
Shojiro Sumiyoshi	Director (Standing Audit and Supervisory Committee Member)	●			●	●	
Zenroku Fujita	Outside Director (Audit and Supervisory Committee Member)		●				
Toshiyuki Takeishi	Outside Director (Audit and Supervisory Committee Member)	●	●				

Name	Position in the Company	Store Development	Inter-nationality	Organizational Development	DX	Legal Compliance	Sustaina-bility
Yuichiro Sasage	President and CEO Nomination and Remuneration Committee member	●	●	●			●
Tadashi Tanabe	Director and Managing Executive Officer		●			●	
Hiroshi Hayakawa	Director and Managing Executive Officer						●
Naoshi Hosaka	Director and Managing Executive Officer	●					
Shuichi Matsuda	Outside Director Nomination and Remuneration Committee member		●		●		
Hiromu Wada	Outside Director Nomination and Remuneration Committee member		●				●
Misako Kikuchi	Outside Director					●	●
Katsushi Suzuki	Director and Executive Officer	●			●		
Shigeyuki Mori	Director and Executive Officer			●	●		
Shojiro Sumiyoshi	Director (Standing Audit and Supervisory Committee Member)						●
Zenroku Fujita	Outside Director (Audit and Supervisory Committee Member)	●				●	
Toshiyuki Takeishi	Outside Director (Audit and Supervisory Committee Member)				●		●

\* The above list does not represent all of the experience, knowledge, skills, etc. possessed by each person.

## [Sustainability Initiatives]

The Group aims to contribute to society through the modernization of logistics in the lagging sectors and strives to resolve various social issues related to sustainability through our core business, the home center business, while aiming to realize a sustainable society, sustainable growth, and enhanced corporate value over the medium and long term. Major sustainability initiatives during the fiscal year ended March 31, 2024 are as follows.

Our response to climate change, including the risks and opportunities that climate change poses to the Group, is disclosed in the “Integrated Report 2023.”

### 1 Addressing the 2024 Problem in Logistics

To address the “2024 Problem in Logistics,” which is now a social issue, the Group is continuously promoting efforts to improve the efficiency of the entire supply chain.

In response to logistics for PB products, we are implementing initiatives such as “Container Round Use,” in which containers used for imports are not returned but are converted into containers for exports, reducing the need to return containers and other transportation, and “Cross-Dock Delivery,” which uses JR containers.

HOKUSEI SANGYO Co., Ltd., a consolidated subsidiary that operates a logistics center, is promoting joint delivery using dedicated vehicles that collect products from multiple business partners in bulk for delivery to the logistics center, as well as the collection and joint delivery of products using pallets. On March 22, 2024, the Company also started sales of “Foldable Delivery Boxes,” which are PB products that can be used for “unattended delivery.” In addition to improving logistics efficiency, we will also strive to reduce CO2 emissions throughout the supply chain.

### 2 Human capital investment

In harmony with “Growth base investment,” one of the four key measures set forth in the medium-term management plan from the fiscal year ended March 31, 2023 to the fiscal year ending March 31, 2025, we are investing in human capital through an education system centered around “Kenwa Juku.” We promoted the acquisition of Meister Class 1 certification and Meister Class 2 certification based on the “Meister System” for the purpose of strengthening sales capabilities and improving skills, and conducted e-learning by scheduling time for education into the work shift. We invested ¥1.81 billion in education and training for the fiscal year ended March 31, 2024 (104.0% compared to the same period of the previous fiscal year).

As one of our efforts to ensure employee diversity, we are also actively increasing the recruitment of new female employees. The ratio of female employees joining the Group in April 2024 was 35% (the female employee ratio in the previous fiscal year was 30%).

<Figures related to human capital>

- Ratio of female workers in management positions: 7.4%
  - \* In the Company, since there are no positions named Section Manager and Section Chief, the calculation is based on our own standards
- Ratio of male employees taking childcare leave: 30.5%
- Gender wage gap: 82.7%
  - \* Figures for the Company’s National Employees (Career track)

### 3 DX initiatives

In order to provide a more convenient and comfortable shopping environment for customers throughout Japan, the Group is continuously striving to improve productivity throughout the Group by investing in DX promotion such as by introducing IT at the Store Support Center (Head Office), which operates a network of over 1,200 stores in Japan, and by reducing the cost of store operations.

This time, our consolidated subsidiary, Bit-A Co., Ltd., has been certified as a “DX-certified operator” on April 1, 2024 based on the DX Certification system established by the Ministry of Economy, Trade and Industry. We will continue to further evolve our business flow and organization to improve business productivity and enhance our ability to make proposals to customers related to “housing” and “gardening and agriculture” with the aim of further increasing sales at existing stores and establishing a highly profitable structure.

### 4 Initiatives to improve the treatment of non-regular employees

As the labor shortage intensifies, there is a need to improve the treatment of non-regular employees. At KOMERI, as a part of our initiatives to further career advancement and improve the treatment of employees working in our stores, we routinely offer non-regular employees (part-time employees) who meet certain conditions the opportunity to become regular employees. There are currently over 100 regular employees who were promoted from non-regular employees (part-time employees).



In addition, improving the retention of talented employees is one of the most important issues for the continuity of our business activities. We will continue to respect the human rights of our employees and create an environment where diverse human resources, regardless of gender, nationality, age, etc., can demonstrate their abilities and play an active role, based on the KOMERI management vision, “People are the most important pillar of our business.”

5 Initiatives of the KOMERI Disaster Management Center (Non-profit Organization)

The KOMERI Disaster Management Center (Non-profit Organization), has established a network that unites local governments across Japan, the Group, and cooperating companies so that necessary supplies can be quickly and smoothly provided in the event of a disaster. As of March 31, 2024, the number of disaster relief agreements concluded with local governments in Japan totaled 1,084 (an increase of 74 agreements compared to the same period of the previous fiscal year).

In response to the Noto Peninsula Earthquake of 2024, we handled a total of 78 requests from 30 local governments as of March 31, 2024, and quickly supplied 355 types of goods (equivalent to about 14 ten-ton trucks), including bags for sand, plastic waterproof sheeting, disposable tableware, disposable gloves, dry cell batteries, and diapers.

6 Biodiversity conservation activities

Since the Group’s business activities are dependent on various natural resources such as forests, plants, and agriculture, we are committed to the sustainable use of natural resources.

Additionally, as a way of returning an amount equivalent to 1% of our profits, KOMERI Midori Ikuseizaidan (Public Interest Incorporated Foundation) supports greening activities and activities to protect and preserve the natural environment in the areas where our stores are located throughout Japan, and subsidizes the Komeri Greenery Fund. In fiscal 2023, the Komeri Greenery Fund provided public grants of ¥10.08 million to 44 projects (in 25 prefectures).

This year marks the 34th year of the Komeri Greenery Fund, and the total amount used for these activities to date has reached ¥2,512.17 million. We will continue to use the Komeri Greenery Fund to support the creation of beautiful hometowns surrounded by flowers and greenery, including biodiversity conservation activities.

**Proposal No. 3** Election of Accounting Auditor

Deloitte Touche Tohmatsu LLC, the Company’s Accounting Auditor, will retire from its position at the conclusion of this meeting due to the expiration of its term of office. Therefore, the Company proposes the election of new Accounting Auditor.

This proposal is based on the decision of the Audit and Supervisory Committee

Considering the fact that the continuous period during which the current Accounting Auditor has conducted audits extends to 37 years since the Company’s listing, the Company has conducted a comparative study with several audit firms. The Audit and Supervisory Committee of the Company has determined that PricewaterhouseCoopers Japan LLC is suitable for this position after collecting and comprehensively considering information on the firm’s independence and expertise, audit implementation status, quality control system, audit fees, and other factors.

The candidate for Accounting Auditor is listed below.

(As of March 31, 2024)

Name	PricewaterhouseCoopers Japan LLC	
Office	Main Office Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo Other Offices Nagoya, Kyoto, Osaka, Fukuoka	
History	June 2006	Establishment of PricewaterhouseCoopers Aarata
	July 2015	Changed the corporate name to “PricewaterhouseCoopers Aarata”
	July 2016	Converted to a limited liability audit corporation. Changed the corporate name to “PricewaterhouseCoopers Aarata LLC”
	Dec. 2023	PricewaterhouseCoopers Aarata LLC and PricewaterhouseCoopers Kyoto were merged. Commencement of operations “PricewaterhouseCoopers Japan LLC”
Overview	Capital	¥1,000 million
	Staffing	Partners 244
	composition	CPAs 1,088
		Assistant CPAs 648
		U.S. CPAs and other professionals 1,418
		Clerks 127
		Total 3,525
	Affiliated Companies	(as of December 1, 2023) 2,822

<Proposals from our shareholder (Proposal No. 4 and Proposal No. 5)>

Proposal No. 4 and Proposal No. 5 were made by a single shareholder (hereinafter referred to as the “Proposing Shareholder”).

The following is the original text of the relevant portion of the shareholder proposal submitted by the Proposing Shareholder, except for formal adjustments.

**Proposal No. 4** Partial Amendment to the Articles of Incorporation (Organization for Determining Dividends of Surplus, Etc.)

(1) Details of the Proposal

Amendment to the current Articles of Incorporation as follows. In the event that the adoption or rejection of other proposals at this Ordinary General Meeting of Shareholders (including proposals from the Company) necessitates formal adjustments to the articles described in this proposal (including, but not limited to, corrections to article numbering discrepancies), it is understood that the articles related to this proposal will be construed as the articles after such necessary adjustments have been made.

(The underlined portions indicate amendment.)

Current Article of Incorporation	Proposed Amendment
<p>(Organization for Determining Dividends of Surplus, Etc.) Article 33. The Company shall determine the matters listed in items of Article 459, paragraph 1 of the Companies Act, including dividends of surplus, etc., <u>by resolution of the Board of Directors, not by a resolution at the general meeting of shareholders</u>, except as otherwise provided by laws and regulations.</p>	<p>(Organization for Determining Dividends of Surplus, Etc.) Article 33. The Company shall determine the matters listed in items of Article 459, paragraph 1 of the Companies Act, including dividends of surplus, etc., <u>by resolution of the Board of Directors</u>, except as otherwise provided by laws and regulations.</p>

(2) Reasons for the Proposal

- The Company’s consolidated dividend payout ratio over the past four years has remained in the very low range of between 10% to 20%, and the Company’s capital expenditures over the same period have been nearly equivalent to the amount of depreciation. There have been no M&A activities in the past 10 years or more. As a result, the Company’s capital adequacy ratio has risen from 45% ten years ago to a recent level of over 65%.
- The Company maintains a low dividend payout ratio due to the potential for future growth investments, including M&A. However, the Company should be flexible in its cash allocation, such as by allocating cash to shareholder returns when there are no intended growth investment projects.
- The Company does not give shareholders the right to express their intentions as described above regarding dividend policy at the general meeting of shareholders. While it is possible for the Board of Directors to determine the dividend amount, I believe that shareholders should also be able to make shareholder proposals regarding dividends, and that it should be possible for shareholders to decide which is preferable at the meeting.

[Opinion of the Board of Directors on the shareholder proposal]

The Board of Directors is against Proposal No. 4.

This shareholder's proposal seeks to amend the Articles of Incorporation to allow the Company to determine dividends from surplus, etc. by a resolution of the General Meeting of Shareholders if proposed by a shareholder. In order to enable the Company to flexibly determine the amount of dividends after taking into consideration the overall cash allocation from the perspective of enhancing sustainable growth, corporate value and the common interests of shareholders, the term of office of directors is set at one year, and it is determined by resolution of the Board of Directors, rather than resolution of the General Meeting of Shareholders.

The Group believes that the realization of distribution modernization in these lagging sectors, targeting not only the existing home improvement center market but also the markets for basic materials and building materials, and for gardening and agricultural materials, will contribute to the enhancement of corporate value and increase shareholder returns. These markets have a multi-level distribution structure and extremely high social costs, and there are a great number of customers experiencing frustration. We dare to take on the challenge of this difficult field and are working on it from a medium- to long-term perspective in order to provide benefits to society.

In order to meet the demand for funds needed to build the necessary infrastructure, we will use internal reserves from a medium- to long-term perspective to invest in new store openings based on the 3,000-stores concept, remodeling existing stores, investing in new and expanded logistics centers including further private brand (PB) product development and global supply chain construction, development of a system environment in line with the expansion of the remodeling business and e-commerce business, development of an educational environment for human resource development, and investment to promote digital transformation (DX) for the purpose of both improving customer convenience and increasing employee productivity. It is important for us to deploy the funds for growth investments to strengthen our management base and to achieve further growth while increasing our corporate value over the medium and long term.

Our basic policy regarding shareholder returns is to make stable and continuous improvements while strengthening our management base and financial position. Decisions are made after taking into consideration not only temporary and short-term profits, but also the medium- to long-term interests of our shareholders.

We believe that it is reasonable to conduct agile and flexible capital and dividend policies from a medium- to long-term perspective, taking into consideration changes in the environment surrounding the Group and the specificity of its business.

In accordance with the above basic policy, matters related to capital policy, such as dividends and share buybacks, are to be conducted in accordance with the Group's corporate philosophy, "Wish of KOMERI."

We wish our business to exist  
for the happiness of the people in society,  
for the happiness of the people gathering here, and  
for the happiness of the people having anything to do with us.

The Company believes that decisions should be made in concert with management policies to enhance value creation toward the realization of the Company's corporate philosophy, sustainable growth, medium- to long-term corporate value, and the common interests of shareholders, and that the Board of Directors is the decision-making body for determining dividends of surplus, etc., pursuant to Article 459, Paragraph 1 and Article 460 of the Companies Act.

In contrast, we believe that this shareholder proposal is a proposal from a short-term perspective that does not take into account the business environment and business specificity in which the Group is operating, and that it will undermine the flexibility and agility of the Group's future business operations and capital policies, and will not be beneficial to shareholders.

Therefore, the Board of Directors of the Company is against this shareholder proposal.

## **Proposal No. 5**      Appropriation of Surplus

Subject to the above proposal for “Partial Amendment to the Articles of Incorporation (Organization for Determining Dividends of Surplus, Etc.)” being approved and adopted, the appropriation of surplus shall be as follows.

### (1) Details of the Proposal

a. Type of the dividend property

Cash

b. Matters related to allotment of the dividend property and the total amount

The Company shall distribute the dividend per share of common stock (hereinafter referred to as “the dividend per share pursuant to this proposal”) after deducting an interim dividend of ¥26 per share from the ¥142 for the fiscal year ended March 31, 2024.

If the amount of earnings per share presented at the 63rd Ordinary General Meeting of Shareholders differs from ¥283 after rounding down decimals (hereinafter referred to as the “actual EPS”), the initial ¥142 shall be replaced with 50% of the actual EPS.

The total amount of dividends under this proposal shall be calculated by multiplying the dividend amount per share of common stock under this proposal by the number of shares subject to the dividend as of the record date of voting rights of the 63rd Ordinary General Meeting of Shareholders of the Company.

c. Date on which dividends from surplus take effect

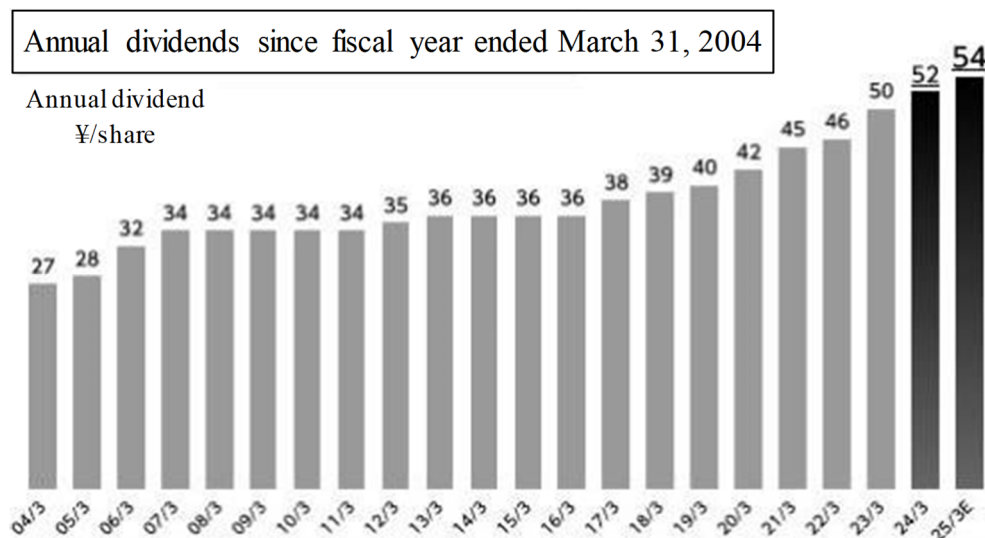
The day following this Ordinary General Meeting of Shareholders

### (2) Reasons for the Proposal

- The amount of ¥142 stated in this proposal is equivalent to 50% of our latest forecasted earnings per share, as of January 23, 2024. The aim of this proposal is to distribute a dividend of 50% of profit for the fiscal year ended March 31, 2024, or a payout ratio of 50%.
- As stated in the previous proposal, the Company’s consolidated dividend payout ratio over the past four years has remained in the very low range of between 10% to 20%, and the Company’s capital expenditures over the same period have been nearly equivalent to the amount of depreciation. There have been no M&A activities in the past 10 years or more. As a result, the Company’s capital adequacy ratio has risen from 45% ten years ago to a recent level of over 65%.
- The Company maintains a low dividend payout ratio due to the potential for future growth investments, including M&A. However, the Company should be flexible in its cash allocation, such as by allocating cash to shareholder returns when there are no intended growth investment projects.
- I expect the Company to both invest in proactive growth and provide proper shareholder returns.

The Board of Directors is against Proposal No. 5.

Regarding profit distribution, in light of market conditions and capital efficiency, the Company plans to increase dividends for the ninth consecutive fiscal year and flexibly repurchase treasury shares for the third consecutive fiscal year.



As a result, the total return ratio is planned to be 38.0% for the fiscal year ended March 31, 2024, and is estimated to be 30.1% for the fiscal year ending March 31, 2025.

In contrast, this shareholder proposal contemplates a dividend of 50% of profit for the fiscal year under review, or a payout ratio of 50%. This content is focused on short term shareholder returns and may undermine financial resources for growth base investment related to the Group's medium- to long-term growth strategy, thereby reducing the competitiveness of the Group.

Aiming for realization of distribution modernization in the basic materials and building materials, gardening and agricultural materials markets, and to cope with an increasingly severe business environment, with persistently high prices for energy and raw materials, rising product costs due to the prolonged yen depreciation, and rising costs for distribution, labor, etc., it is important to strengthen our financial position and secure internal reserves, while also investing in growth base, including human capital investment for further growth, to enhance profitability.

The Company believes that increasing the corporate value of the Group over the medium and long term while maintaining a balance between stable and continuous dividends to shareholders, growth base investment to strengthen the management base, and internal reserves will contribute to increased shareholder returns.

Therefore, the Board of Directors of the Company is against this shareholder proposal.