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## Axial Retailing Inc.

Security Code 8255 Tokyo Prime

(Mailing Date) May 29, 2024

(Date available electronically) May 27, 2024

# Notice of the 73rd Annual General Meeting of Shareholders

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### Date and Time

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10:00 a.m. (JST), Thursday, June 20, 2024

(Doors open at 9:15 a.m. JST)

### Venue

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Yukyu Banquet Hall, 2F, Nagaoka Grand Hotel  
1-chome 2-1, Higashi-Sakanouemachi, Niigata, Japan

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*Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.*

(Security Code 8255 Tokyo Prime)  
(Mailing Date) May 29, 2024  
(Date available electronically) May 27, 2024

To Our Shareholders:

18-2 Nakagoya, Nagaoka City, Niigata, Japan

## **Axial Retailing Inc.**

President and Representative Director, CEO  
Kazuhiko Hara

# **NOTICE OF THE 73rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 73rd Annual General Meeting of Shareholders of Axial Retailing Inc. (hereinafter referred to as the "Company"). Please see below for details.

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (Matters to be Provided Electronically) electronically and has posted them on the Company's website. Please refer to the following website for details.

The Company's website  
<https://www.axial-r.com/>

Please select and review the news release "Materials Related to the 73rd Annual General Meeting of Shareholders".

In addition to the Company's website, matters relating to the electronic provision of information are also published on the Tokyo Stock Exchange's website (TSE Listed Company Search), which can be accessed via the following link.

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

Access the TSE website above and enter "Axial" in the "Issue Name (Company Name)" field, enter or search for our securities code "8255" in the "Code" field, select "Basic Information" and then "Documents for Public Inspection/PR Information" in the "Documents for Public Inspection" field.

Please select "Basic Information", "Documents for Public Inspection/PR Information", and then check "Notice of Convocation of General Meeting of Shareholders/Materials for General Meeting of Shareholders" under "Documents for Public Inspection".

# Details

## 1. Date and time:

Thursday, June 20, 2024, at 10:00 a.m., Doors open at 9:15 a.m. (JST)

## 2. Venue:

Yukyu Banquet Hall, 2F, Nagaoka Grand Hotel 1-chome 2-1, Higashi-Sakanouemachi, Niigata

## 3. Meeting Agenda

### Matters to be reported:

Item No.1: Business Report and Consolidated Financial Statements for the Company's 73rd fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors

Item No.2: Non-consolidated Financial Statements for the Company's 73rd fiscal year (from April 1, 2023 to March 31, 2024)

### Matters to be resolved:

Proposal No.1: Appropriation of Surplus

Proposal No.2: Election of Nine (9) Directors

Proposal No.3: Revision of Remuneration for Auditors

For this General Meeting, the Company will uniformly send to all shareholders, regardless of whether or not they have requested delivery of written materials, a written document describing the items that are excluded from the items provided electronically in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company.

If shareholders are unable to attend the meeting in person, they may exercise their voting rights in writing (by mail) or by electronic means (via the Internet, etc.). The Company invites shareholders to exercise their voting rights after reviewing the reference documents for the General Meeting of Shareholders as described below.

For details on how to exercise voting rights, please refer to the " Guide to Exercising Voting Rights " below.

# Notice to Shareholders

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- The Company has prepared a method of exercising Shareholders voting rights in writing or via the Internet, etc. Please note that gifts will not be distributed to shareholders attending the meeting.
- Changes may be made to the venue or method of conducting the Meeting. Any changes will be announced on the Company's website\* ( <https://www.axial-r.com/> ). \*Available only in Japanese.
- A livestream of the Meeting will be available exclusively to shareholders for online viewing. While every effort will be made to avoid showing the attending shareholders, please be aware that at times shareholders in attendance may be visible in the livestream.
- Shareholders attending the Meeting in person should bring the enclosed voting form and submit it to the reception desk to exercise their voting rights.
- Voting rights may be exercised by designating one proxy to attend the meeting, who must be another shareholder with voting rights. The proxy will be required to submit a written verification at the Meeting proving the proxy's rights.
- At this General Meeting, regardless of whether or not a request for delivery of the document has been made, the Company will uniformly send a document containing the items provided electronically. Among the items provided electronically, "The Company's Systems and Policies (Systems for Ensuring Proper Business Operations and the Status of the Operation of Such Systems)" in the Business Report, "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements are not included in the document to be sent pursuant to the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company. These items are included in the consolidated and non-consolidated financial statements audited by the auditors in preparing the audit report.
- In the event of any changes to the items provided electronically, the Company will post such changes on its website and the Tokyo Stock Exchange's website (TSE Listed Company Search).

# Livestream of the General Meeting of Shareholders

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A livestream of the General Meeting of Shareholders will be available exclusively to shareholders for online viewing on the day of the Meeting. Please see below for information on how to view.

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1. Register using the QR code or link below. Registration opens Thursday 30 May, 2024 and must be completed before the start of the Meeting on Thursday 20 June, 2024.

[https://us02web.zoom.us/webinar/register/WN\\_FuGgLVaDTjuQSqwvnsKUpA](https://us02web.zoom.us/webinar/register/WN_FuGgLVaDTjuQSqwvnsKUpA)

You will need your shareholder number to register. Please take note of it before posting your vote. Follow online instructions to register your shareholder name, email address and shareholder number.



URL  
QR Code

\* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. After confirming your registration details, a link for viewing the livestream will be sent to your email address. The link can be accessed from 9:55 a.m. (JST) on Thursday 20 June, 2024.
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- Under the Companies Act, viewing a livestream of the General Meeting of Shareholders does not constitute attendance. As such, shareholders are not allowed to exercise voting rights, ask questions, or pass motions via the livestream. Please refer to the < Guide to Exercising Voting Rights > below.
- In the event of a natural disaster or other unforeseen circumstances, the livestream may be cancelled. In this event, an announcement will be posted to the Company website.
- You may not be able to watch the livestream depending on your equipment and internet connection. Shareholders are responsible for the any costs incurred to view the livestream.
- Sharing your shareholder number or the livestream link with a third party, videoing, recording (audio or video), saving, or posting footage of the Meeting on social media or any public platform are strictly prohibited.

# Guide to Exercising Voting Rights

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Voting rights can be exercised through one of the following four methods.

## 1. Attend the General Meeting of Shareholders in person

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Please submit the enclosed Voting Rights Exercise Form at the reception desk.



Thursday, June 20, 2024 at 10:00 a.m. JST  
(Doors open at 9:15 a.m. JST)

## 2. Exercise voting rights in writing (by mail)

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Please indicate whether you are for or against each proposal on the enclosed Voting Rights Exercise Form and return it without a stamp on the envelope.



The form must be received by 6:00 p.m. JST on Wednesday, June 19, 2024

## 3. Exercise voting rights online

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Please access the voting rights exercise site (<https://evote.tr.mufg.jp/>, in Japanese only) from your computer or smartphone, enter the login ID and temporary password on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to vote for or against each proposal.



Voting must be completed by 6:00 p.m. JST on Wednesday, June 19, 2024

## 4. Exercise voting rights by scanning a QR code



You can log in to the online voting rights exercise site without entering the login ID or temporary password on the Voting Rights Exercise Form.

Please scan the QR code on the Voting Rights Exercise Form.

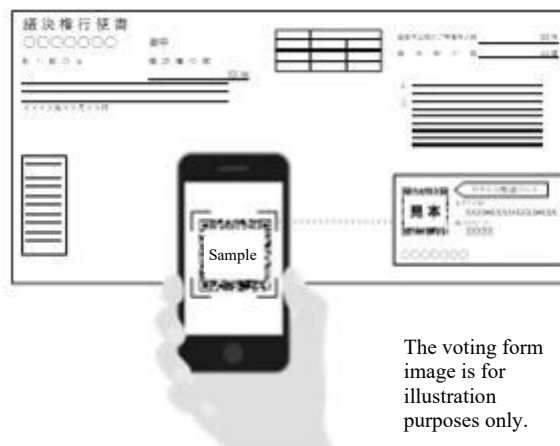
\* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

Please follow the instructions on the screen to vote for or against each proposal.

You can only log in using the QR code once.

To log in more than once, or to vote without using the QR code, please refer to "Exercise voting rights online" on the previous page.

Voting must be completed by  
6:00 p.m. JST on Wednesday,  
June 19, 2024



The voting form image is for illustration purposes only.

- ※ If you vote both by mail and online, only the votes placed online will be deemed valid.
- ※ If you vote multiple times online, only the last vote will be deemed valid.
- ※ Institutional investors can use the voting rights exercise platform operated by ICJ, Inc.

If you are unsure how to use your computer or smartphone to exercise your voting rights online, please contact the help desk on the right.

Help Desk, Stock Transfer Agency Department  
Mitsubishi UFJ Trust and Banking Corporation

0120—173—027  
(Toll free in Japan, 9:00 a.m. ~ 9:00 p.m. JST)

# **Reference Document for the General Meeting of Shareholders**

## **Proposal No.1: Appropriation of Surplus**

The Company proposes the following regarding the appropriation of surplus.

Matters related to the year-end dividend

Axial Retailing Inc.'s dividend policy is based on twice-yearly interim dividends and year-end dividends. The decision-making body for dividends is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

As the holding company for the Axial Group, we are working to strengthen the financial structure of the group as a whole and to secure internal reserves. At the same time, we believe that returning profits to shareholders is an important management policy, and our basic policy is to distribute dividends to shareholders giving full consideration to the business performance of the group as a whole, future business development, and dividend payout ratio.

The year-end dividends for the 73rd fiscal period will be as follows based on the above dividend policy.

### 1. Type of assets distributed as dividends

Cash

### 2. Matters concerning the allocation of dividend assets and the total amount

Per share of common stock of the company: ¥55

Total amount: ¥1,244,822,425

Accordingly, the annual dividend per share for the fiscal year under review, when combined with the interim dividend (¥30 per share), will be ¥85 per share, for a consolidated dividend payout ratio of 26.0%.

### 3. Effective date for dividend

June 21, 2024

Note: The Company has implemented a stock split effective April 1, 2024. The year-end dividend for the fiscal year ended March 31, 2024, which has a record date of March 31, 2024, will be based on the number of shares before the stock split.



## **Proposal No.2: Election of Nine (9) Directors**

The terms of office of all eleven (11) currently serving directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. In that regard, the Company proposes to reduce the number of directors by two (2) in order to improve the efficiency of the management structure, and approval is hereby requested for the election of nine (9) directors.

The Board of Directors nominated the candidates based on the report of the Voluntary Nomination Committee (consisting of three outside directors, one outside Audit & Supervisory Board member, and one inside director other than representative director).

The Company's criteria for the nomination of candidates for director are as follows.

(Criteria for the Nomination of Candidates for Director)

Candidates for director of the Company shall be selected by the Nominating Committee subject to resolution approved by the Board of Directors, based on the following nomination policy.

### 1. Nomination Policy

1-1. A person who can appropriately perform his/her duties as a director in response to the trust placed in him/her by shareholders.

1-2. A person of good character with considerable knowledge, experience, and achievements, regardless of individual attributes such as gender and nationality, who can be expected to contribute to the Company's sustainable growth and enhancement of corporate value in accordance with the Company's management philosophy.

1-3. A person who does not fall under the grounds for disqualification stipulated in 1-2.

1-4. An outside director must meet the criteria for independence separately stipulated in addition to the requirements stipulated in Article 2, Item 15 of the Companies Act.

### 2. Grounds for Disqualification


2-1. A person who is recognized as being associated with antisocial forces.


2-2. A person who falls under the grounds for disqualification stipulated in Article 331, Paragraph 1 of the Companies Act.


2-3. A person who is recognized as violating laws and regulations in his/her duties or in private matters.


2-4. A person who has a special interest that affects his/her performance of the duties of a director.


The candidates for Directors are as follows.


Candidate No.	Name (Age)	Qualifications and experience
1	 <p><b>Kazuhiko Hara</b> (57)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>• Reasons for nomination and expected role Mr. Kazuhiko Hara was born into the founding family of the Company and has inherited its founding spirit. He currently serves as the President and Representative Director, CEO of the Company, and as the Chairman and Representative Director of Harashin Co., Ltd. and Narus Co., Ltd., core companies in the Axial Group. Since joining the Company, he has demonstrated his skills, mainly in the Merchandise Department, and his achievements have been highly regarded, leading to his current position. After assuming the position of president, he revamped the management vision and led the Company's response to the ever-changing social environment, and the scale of the Company has grown significantly. Recognized for his management skills, Mr. Hara has served on the Board of Trustees of CGC Japan Co., Ltd., Japan's largest cooperative chain of nationwide supermarkets, as well as other industry associations, and he is committed to the development of the supermarket industry. Considering his achievements, as the chief executive we expect him to drive the Group's growth even further.</li> <li>• Tenure as Director 24 years</li> <li>• Attendance at Board of Directors 16 out of 16</li> <li>• Number of Company shares held 699,748</li> <li>• Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>April 1989      Joined Seiyu Foods (Now Seiyu GK)</li> <li>April 1994      Joined Axial Retailing Inc.</li> <li>June 2000      Managing Director of the Company</li> <li>April 2002      General Manager of Merchandise Department of the Company</li> <li>May 2007      Senior Managing Director of the Company</li> <li>May 2007      Operating Officer of the Company</li> <li>May 2008      President and Representative Director of Harashin Co., Ltd.</li> <li>May 2008      President and Representative Director of the Company (current position)</li> <li>March 2023    Chief Executive Officer (CEO) of the Company (current position)</li> </ul> </li> <li>• Significant concurrent positions <ul style="list-style-type: none"> <li>Harashin Co., Ltd.    Chairman and Representative Director</li> <li>Narus Co., Ltd.    Chairman and Representative Director</li> <li>Fressay Co., Ltd.    Director</li> <li>Harashin Narus Operation Service Ltd.    Chairman and Representative Director</li> <li>Rory Co, Ltd.    Chairman and Representative Director</li> <li>Hara Kosan Co., Ltd.    Director</li> <li>FM-NIIGATA Co., Ltd.    Outside Director</li> </ul> </li> </ul>

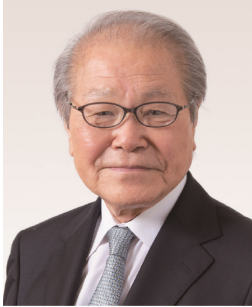
Candidate No.	Name (Age)	Qualifications and Experience
2	 <p><b>Bungo Yamagishi</b> (67)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>• Reasons for nomination and expected role Mr. Bungo Yamagishi currently serves as the Vice President and Director, CFO of the Company. He has long been involved in various Group management issues and store opening strategies, contributing to its business development. His involvement is not limited to specific areas, but extends to various committees and projects, and supports the Group’s flexible management decision-making with an open-minded view from the perspective of overall optimization. Also, as the Group’s chief financial officer, Mr. Yamagishi has considerable knowledge of finance and accounting, and is actively engaged in dialogue with various stakeholders. Considering his achievements, we expect his management skills to help address the Group’s various management issues in future as well.</li> <li>• Tenure as Director 26 years</li> <li>• Attendance at Board of Directors 16 out of 16</li> <li>• Number of Company shares held 28,300</li> <li>• Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>March 1979      Joined Kitanihon Seika (now Bourbon Corporation)</li> <li>January 1986    Joined Axial Retailing Inc.</li> <li>June 1998      General Manager of Accounting Department of the Company</li> <li>June 1998      Director of the Company</li> <li>June 2000      Managing Director of the Company</li> <li>March 2003     General Manager of Corporate Planning Department of the Company</li> <li>May 2007      Operating Officer of the Company (current position)</li> <li>May 2008      In charge of Corporate Planning, Logistics of the Company</li> <li>April 2012     In charge of Finance and Accounting, Corporate Planning, Store Development &amp; Planning, and Logistics of the Company</li> <li>June 2012     Senior Managing Director of the Company</li> <li>July 2019      General Manager of Logistics Planning Department of the Company (current position)</li> <li>March 2023     Vice President and Director of the Company (current position)</li> <li>March 2023     Chief Financial Officer (CFO) of the Company (current position)</li> </ul> </li> <li>• Significant concurrent positions <ul style="list-style-type: none"> <li>Harashin Co., Ltd.    Vice President and Director</li> <li>Narus Co., Ltd.      Vice President and Director</li> <li>Fressay Co., Ltd.    Director</li> <li>Harashin Narus Operation Service Ltd.    Vice President and Director</li> <li>Itec Inc.            Director</li> </ul> </li> </ul>

Candidate No.	Name (Age)	Qualifications and Experience
3	 <p><b>Mitsuyuki Maruyama</b> (70)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>• Reasons for nomination and expected role Mr. Mitsuyuki Maruyama currently serves as the Managing Director of the Company, and as the President and Representative Director of Harashin Co., Ltd. and Narus Co., Ltd., core companies in the Axial Group. He has long been in charge of store operations, and has worked to gain customers' trust in our stores through a wide range of initiatives, such as maintaining a comfortable work environment for employees and other necessary matters to ensure that each store can provide customers with products and services seamlessly, even if the number of our Group stores increases with new store openings across a wide geographical area. More than 100 million customers visit Group stores annually. To ensure that these stores continue to be an indispensable presence in their communities and to continue to grow with the support of the customers even in an intensely competitive environment, Mr. Maruyama's management skills, which are demonstrated by his leadership from a position closest to the sales floor and the results he has achieved, will be valuable in future as well.</li> <li>• Tenure as Director 12 years</li> <li>• Attendance at Board of Directors 16 out of 16</li> <li>• Number of Company shares held 18,350</li> <li>• Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>September 1983 Parliamentary Secretary</li> <li>September 1987 Joined Axial Retailing Inc.</li> <li>May 2007 Operating Officer of the Company</li> <li>April 2010 In charge of Operating Systems of the Company</li> <li>April 2012 General Manager of Store Operations Department of the Company</li> <li>June 2012 Director of the Company</li> <li>June 2017 Managing Director of Harashin Co., Ltd.</li> <li>June 2017 Managing Director of Harashin Narus Operation Service Ltd.</li> <li>June 2022 Managing Director of Narus Co., Ltd.</li> <li>June 2022 Managing Director of the Company (current position)</li> <li>March 2023 President and Representative Director of Harashin Co., Ltd. (current position)</li> <li>March 2023 President and Representative Director of Narus Co., Ltd. (current position)</li> <li>March 2023 President and Representative Director of Harashin Narus Operation Service Ltd. (current position)</li> </ul> </li> <li>• Significant concurrent positions <ul style="list-style-type: none"> <li>Harashin Co., Ltd. President and Representative Director</li> <li>Narus Co., Ltd. President and Representative Director</li> <li>Harashin Narus Operation Service Ltd. President and Representative Director</li> </ul> </li> </ul>


Candidate No.	Name (Age)	Qualifications and Experience
4	 <p><b>Manabu Nakagawa</b> (66)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>• Reasons for nomination and expected role Mr. Manabu Nakagawa currently serves as the Managing Director of the Company and the Managing Director and General Manager of the Merchandise Department of Harashin Narus Operation Service Ltd., where various operations of the Axial Group are concentrated, making him the chief executive in charge of merchandise procurement of the Axial Group. Merchandise policy is one of the most important issues for the Group's business operations. In recent years, customers' food preferences have diversified with changes in lifestyle and social situation. Under these circumstances, Mr. Nakagawa has worked hard to procure products with quality and prices that the Group's customers can support, and has also taken on the challenge of trying out new directions, contributing to customer satisfaction while securing profits. Given his achievements, as the chief executive responsible for the Group's overall merchandise policy, his management skills will be valuable in future as well.</li> <li>• Tenure as Director 8 years</li> <li>• Attendance at Board of Directors 16 out of 16</li> <li>• Number of Company shares held 2,817</li> <li>• Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>April 1981      Joined Seiyu Co., Ltd.</li> <li>September 2008      Joined Axial Retailing Inc.</li> <li>April 2009      General Manager of Grocery Department of Harashin Narus Logitech Co., Ltd. (now Harashin Narus Operation Service Ltd.)</li> <li>January 2014      Director of Axial Label Inc. (current position)</li> <li>March 2015      General Manager of Merchandise Department of Harashin Narus Operation Service Ltd. (current position)</li> <li>June 2016      Operating Officer of the Company</li> <li>June 2016      Director of the Company</li> <li>May 2022      Managing Director of Harashin Narus Operation Service Ltd. (current position)</li> <li>June 2022      Managing Director of Harashin Co., Ltd. (current position)</li> <li>June 2022      Managing Director of Narus Co., Ltd. (current position)</li> <li>June 2022      Managing Director of the Company (current position)</li> </ul> </li> <li>• Significant concurrent positions <ul style="list-style-type: none"> <li>Harashin Co., Ltd.      Managing Director</li> <li>Narus Co., Ltd.      Managing Director</li> <li>Harashin Narus Operation Service Ltd.      Managing Director, General Manager of Merchandise Department</li> <li>Axial Label, Inc.      Director</li> </ul> </li> </ul>


Candidate No.	Name (Age)	Qualifications and Experience
5	 <p><b>Hitoshi Hayakawa</b> (66)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>• Reasons for nomination and expected role Mr. Hitoshi Hayakawa is a Director of Axial Retailing Inc. and the President and Representative Director of Fressay Co., Ltd., a core company in the Axial Group. Fressay Co., Ltd. operates in the North Kanto region, where there are many top-notch competitors and the competitive environment is severe. Therefore, Fressay Co., Ltd. must make significant efforts in this operating environment from the customer's perspective. Since joining the company, he has gained experience in various departments that support sales, including merchandise procurement, sales promotion, and store operating systems, and by leveraging the knowledge he has accumulated, he has also provided positive and upbeat leadership so that his subordinates can maximize their abilities. In addition, he had demonstrated his skills as president of Rory Co., Ltd., which is a subsidiary responsible for the production and centralized processing of food products that support the Group's differentiation strategy. Considering his achievements, Mr. Hayakawa is expected to continue to demonstrate his management skills by leveraging the Group's strengths and providing leadership skills to ensure that the Group's stores are supported by customers.</li> <li>• Tenure as Director 6 years</li> <li>• Attendance at Board of Directors 16 out of 16</li> <li>• Number of Company shares held 8,100</li> <li>• Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>March 1980      Joined Axial Retailing, Inc.</li> <li>April 2002      General Manager of Operating Systems Department of the Company</li> <li>July 2006        Director of Harashin Co., Ltd.</li> <li>April 2009        Operating Officer of the Company</li> <li>April 2009        General Manager of Sales Planning Department of the Company</li> <li>October 2013    Operating Officer of Harashin Narus Operation Service Ltd.</li> <li>October 2013    General Manager of Sales Planning Department of Harashin Narus Operation Service Ltd.</li> <li>March 2015      General Manager of Fresh Food Department of Harashin Narus Operation Service Ltd.</li> <li>March 2018      President and Representative Director of Rory Co., Ltd.</li> <li>June 2018        Operating Officer of the Company</li> <li>June 2018        Director of the Company (current position)</li> <li>March 2023      President and Representative Director of Fressay Co., Ltd. (current position)</li> </ul> </li> <li>• Significant concurrent positions <ul style="list-style-type: none"> <li>Fressay Co., Ltd.    President and Representative Director</li> <li>Rory Co., Ltd.      Director</li> </ul> </li> </ul>

Candidate No.	Name (Age)	Qualifications and Experience
6	 <p><b>Masanori Maruyama</b> (57)</p> <p>Candidate for Reappointment</p>	<ul style="list-style-type: none"> <li>Reasons for nomination and expected role Mr. Masanori Maruyama currently serves as Director, CHRO of Axial Retailing Inc. He has long played a central role in promoting TQM (Total Quality Management), the foundation of the Company's management, and in addressing social and environmental issues. TQM involves the full participation of all employees, taking a scientific approach to solving various problems and achieving tasks in their assigned areas of work. It is also positioned as a human resources development initiative. The level of the Company's TQM activities is recognized as a model throughout Japan, receiving numerous awards from professional associations, and is one of the Company's strengths which is difficult for other companies to imitate. In addressing social and environmental issues, Mr. Maruyama was instrumental in establishing the system for the Group company Harashin Co., Ltd., to obtain ISO 14001 certification, the standard for environmental management systems, for all its company-wide locations, a first in Japan's retail industry. Since then, he has been working to maintain and improve the system. Considering his achievements as well as the current emphasis on the utilization of human resources and the solving of social issues, we expect his management skills to help the Group realize its role in achieving a sustainable society and to achieve sustainable growth based on coexisting with society.</li> <li>Tenure as Director 2 years</li> <li>Attendance at Board of Directors 16 out of 16</li> <li>Number of Company shares held 3,452</li> <li>Career summary, positions and responsibilities <ul style="list-style-type: none"> <li>April 1989      Joined Axial Retailing Inc.</li> <li>April 2005      Head of HTS and CSR Office of the Company</li> <li>April 2007      Head of Internal Control Management Office of the Company</li> <li>April 2012      General Manager of TQM and CSR Department of Harashin Narus Operation Service Ltd.</li> <li>May 2019      General Manager of Personnel and Education Department of Harashin Narus Operation Service Ltd.</li> <li>January 2022    Operating Officer of the Company (current position)</li> <li>January 2022    General Manager of Human Resources Planning Department of the Company (current position)</li> <li>June 2022      Director of the Company (current position)</li> <li>June 2022      Chief Human Resources Officer (CHRO) of the Company (current position)</li> </ul> </li> <li>Significant concurrent positions <ul style="list-style-type: none"> <li>Harashin Co., Ltd.    Director</li> <li>Narus Co., Ltd.      Director</li> <li>Fressay Co., Ltd.    Director</li> <li>Harashin Narus Operation Service Ltd.    Director</li> <li>Rory Co., Ltd.      Director</li> </ul> </li> </ul>

Candidate No.	Name (Age)	Qualifications and Experience
7	 <p><b>Koichi Niihara</b> (82)</p> <p>Candidate for Reappointment</p> <p>Outside Director</p> <p>Independent Officer</p>	<ul style="list-style-type: none"> <li>Reasons for nomination and expected role Mr. Koichi Niihara currently serves as an outside director of the Company. He is a Professor Emeritus with a wealth of experience and a broad perspective from his long career in leadership positions as a researcher in highly specialized fields in Japan and overseas, and has personal connections with various researchers closely related to the Group’s business. He performs his role as an outside director by commenting as necessary from an objective viewpoint close to that of an ordinary consumer. Considering his experiences and aptitudes, we expect him to oversee the Company's management from a perspective independent from its corporate executives and to implement new technologies and improve existing operations in these days of increasing progress and speed of technological innovation in the future. Mr. Niihara has never been involved in company management other than as an Outside Officer, but has experience in corporate management as a trustee of general incorporated associations and public interest incorporated foundations, and for the reasons stated above, it has been determined that he can perform his duties appropriately.</li> <li>Tenure as Director 8 years</li> <li>Attendance at Board of Directors 16 out of 16</li> <li>Number of Company shares held N/A</li> <li>Career summary, positions and responsibilities <ul style="list-style-type: none"> <li>April 1968 Assistant of Institute for Materials Research (IMR), Tohoku University</li> <li>April 1986 Professor of Physics Department of National Defense Academy</li> <li>July 1989 Professor of Institute, Scientific and Industrial Research of Osaka University</li> <li>April 2005 Emeritus Professor of Osaka University (current position)</li> <li>April 2005 Head of Extreme Energy-Density Research Institute, Nagaoka University of Technology</li> <li>September 2009 President of Nagaoka University of Technology</li> <li>September 2015 Emeritus Professor of Nagaoka University of Technology (current position)</li> <li>June 2016 Outside Director of the Company (current position)</li> <li>June 2017 Representative Trustee of Izumi Science &amp; Technology Foundation (current position)</li> <li>May 2024 President of Nagaoka Sutoku University (current position)</li> </ul> </li> <li>Significant concurrent positions <ul style="list-style-type: none"> <li>Osaka University Professor Emeritus, Guest Professor</li> <li>Nagaoka University of Technology Professor Emeritus</li> <li>Izumi Science &amp; Technology Foundation Representative Trustee</li> <li>Nagaoka Sutoku University President</li> </ul> </li> <li>Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters.</li> </ul>



Candidate No.	Name (Age)	Qualifications and Experience
8	 <p><b>Asako Kikuno</b> (54)</p> <p>Candidate for Reappointment</p> <p>Outside Director</p> <p>Independent Officer</p>	<ul style="list-style-type: none"> <li>Reasons for nomination and expected role Ms. Asako Kikuno currently serves as an outside director of the Company. In addition to working as a freelance announcer, she is active in various organizations for the development of local communities and society. Utilizing the knowledge gained from these experiences, she also participates in activities aimed at realizing a society where the development of local communities and diversity are emphasized. Considering her experience and aptitude, we expect her to oversee the Company's management from a perspective independent from its corporate executives and to contribute to the Group's aim of contributing to and coexisting with local communities in the future. Ms. Kikuno has never been involved in company management other than as an Outside Officer, but has experience in corporate management as a Trustee of various organizations, and for the reasons stated above, it has been determined that she can perform her duties appropriately.</li> <li>Tenure as Director 3 years</li> <li>Attendance at Board of Directors 16 out of 16</li> <li>Number of Company shares held N/A</li> <li>Career summary, positions, and responsibilities  <ul style="list-style-type: none"> <li>April 1992      Joined NST Niigata Sogo Television, Co., Ltd.</li> <li>April 1997      Became independent as a freelance announcer</li> <li>April 1997      Representative of K-Approach (current position)</li> <li>May 2008        Trustee of NIIGATA Chamber of Commerce and Industry Businesswomen's Club (current position)</li> <li>July 2014        Member of Niigata Prefectural Personnel Commission (current position)</li> <li>June 2021        Outside Director of the Company. (current position)</li> <li>September 2022    Member of Niigata City National Protection Council</li> </ul> </li> <li>Significant concurrent positions  <ul style="list-style-type: none"> <li>K-Approach      Representative</li> <li>Faculty of Pharmaceutical Sciences, Niigata University of pharmacy and Medical and Life Sciences      Part-time lecturer</li> <li>NIIGATA Chamber of Commerce and Industry Businesswomen's Club      Vice Chairman and Trustee</li> <li>Niigata New Business Conference      Trustee</li> <li>Working Women's Association      Vice Chairman</li> <li>Niigata Prefectural Government Personnel Commission      Member</li> <li>Niigata City National Protection Council      Member</li> </ul> </li> <li>Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters</li> </ul>

Candidate No.	Name (Age)	Qualifications and Experience
9	 <p><b>Juntaro Tsuru</b> (67)</p> <p>Candidate for Reappointment</p> <p>Outside Director</p> <p>Independent Officer</p>	<ul style="list-style-type: none"> <li>Reasons for nomination and expected role Mr. Juntaro Tsuru is currently engaged with various organizations in Japan for community and social development. He has long been involved with central government agencies mainly in construction administration. He has high ethical standards and considerable knowledge, and has been working with many people for the development of the country from a broad perspective. Considering his experience and aptitude, we expect him to overseeing the Company's management from a perspective independent from its corporate executives and to contribute to improve the Company's governance system and address the problems facing society and the global environment in the future. In addition, Mr. Tsuru has experience in corporate management as a Representative Director and as a Trustee of various organizations, and for the reasons stated above, it has been determined that he can perform his duties appropriately.</li> <li>Tenure as Outside Director 2 years</li> <li>Attendance at Board of Directors 15 out of 16</li> <li>Number of Company shares held N/A</li> <li>Career summary, positions, and responsibilities <ul style="list-style-type: none"> <li>April 1981      Joined Ministry of Construction (now Ministry of Land, Infrastructure, Transport and Tourism)</li> <li>July 2003      General Manager of Housing Policy of Tokyo Metropolitan Bureau of Urban Development</li> <li>January 2007   Section Manager of Building Guidance Division, Housing Bureau of Ministry of Land, Infrastructure, Transport and Tourism</li> <li>July 2008      In charge of Building Research Institute (now Building Research Institute, Japan)</li> <li>May 2011      Deputy Representative of National Institute for Land and Infrastructure Management of Ministry of Land, Infrastructure, Transport and Tourism</li> <li>July 2012      Trustee of Urban Renaissance Agency</li> <li>September 2014   Representative Trustee of Nagaoka Institute of Design</li> <li>October 2014   Trustee of Nagaoka City Kome Hyappyo Foundation</li> <li>April 2021      Advisor of Nagaoka City Comprehensive Policy</li> <li>June 2022      Outside Director of the Company (current position)</li> <li>June 2022      Representative Trustee of Nagaoka City Kome Hyappyo Foundation (current position)</li> <li>June 2023      Representative Director of Mirai Hakkou Laboratory Co., Ltd.</li> </ul> </li> <li>Significant concurrent positions <ul style="list-style-type: none"> <li>Nagaoka City Kome Hyappyo Foundation      Representative Trustee</li> <li>Mirai Hakkou Laboratory Co., Ltd.      Representative Director</li> </ul> </li> <li>Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters.</li> </ul>

Notes:

1. None of the candidates has any special interest relationship with the Company.
2. The number of Company shares held is as of March 31, 2024, and is recorded as the number of shares registered to the beneficial owner including shares held in the name of another person.
3. Ms. Asako Kikuno's name in the family register is Asako Shingai.
4. Mr. Koichi Niihara, Ms. Asako Kikuno, and Mr. Juntaro Tsuru are candidates for Outside Directors. As candidates, they comply with the requirements stipulated in the Companies Act as well as the Company's own "Criteria for Independence of Outside Directors". The Company's "Criteria for Independence of Outside Directors" are as follows.  
(Criteria for Independence of Outside Directors)

The Company considers Outside Directors or Outside Audit & Supervisory Board Members (referred to herein collectively as "Outside Officers") to be independent when it is determined that none of the following items apply.

1. An executive (\*1) of the Company or its affiliate (referred to herein collectively as "the Group" (\*2)).
2. A major shareholder (\*3) of the Company, or if the major shareholder is a corporation, a director, Audit & Supervisory Board member, accounting advisor, executive officer, or other employee of the corporate entity concerned or its affiliates.
3. An executive of a company or its affiliates in which the Company is a major shareholder.
4. A person for whom the Group is a major client (\*4) or an executive of an affiliated company thereof.
5. A person who is a major client of the Group (\*5) or an executive of an affiliated company thereof.
6. A person who has received a large donation or subsidy (\*6) from the Group, or an executive of a corporation or organization which has received a large donation or subsidy from the Group.
7. An executive of a company or its affiliates which has director(s) on loan from the Company (full-time or part-time).
8. An executive of a major financial institution or other large creditor (hereinafter referred to collectively as "large creditor" (\*7) who is a lender to the Company, or if the major creditor is a corporation, an executive of the creditor or its affiliates
9. A certified public accountant or tax accountant who is an accounting auditor or accounting advisor for the Group, or a tax accountant, or an executive of an audit corporation or accounting corporation for the Group.
10. A lawyer, certified public accountant, tax accountant, or other consultant who has received a large sum of money or other property benefits from the Group in addition to executive compensation (\*6).
11. An executive of a legal corporation, audit corporation, accounting corporation, or other consulting firm who has received a large sum of money or other property benefits from the Group.
12. A person to whom the first item above has applied, even if it was only once in the past.
13. A person to whom items 2 to 11 above have applied in the past three years.
14. A spouse or a relative within the second degree of kinship of a significant person who executes business (\*8) who falls under items 1 to 13 above.
15. Notwithstanding the provisions in items 1 to 14 above, any other person who is recognized as being in special circumstances whereby a conflict of interest with the Company could arise.

Annotations:

- \*1. An executive is an executive director, executive officer, or other officer managing the business of a corporation, as stipulated in Article 2, Paragraph 3, Item 6, of the Regulations for Enforcement of the Companies Act, and does not include outside directors and outside Audit & Supervisory Board members.
- \*2. An affiliate or affiliated company refers to a company that is the relevant company's parent company, subsidiary company, affiliated company, as well as a company of which the relevant company is an affiliated company, as stipulated in Article 2, Paragraph 3, Item 25 of the Rules of Corporate Accounting.
- \*3. A major shareholder refers to a shareholder who holds 10% or more of the voting rights, which include voting rights held both directly and indirectly.
- \*4. A person for whom the Group is a major client refers to a person who has provided products or services to the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- \*5. A person who is a major client of the Group refers to a person who has received products or services from the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- \*6. The amount that exceeds 10 million yen per year for individuals, or 2% of annual consolidated sales in the case of a corporation on average in the past three fiscal years.
- \*7. A large creditor refers to a creditor whose loans to the Group exceed 10% of its consolidated total assets at the end of the most recent fiscal year.
- \*8. A significant person who executes business refers to an executive director, executive officer, and other officers who execute business of a corporation.

#### 5. Limited liability agreements

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that an agreement with an outside director that limits liability for damages under Article 423, Paragraph 1 of the Companies Act (limited liability agreements) can be concluded. The company has limited liability agreements with current outside directors Mr. Iwao Hosokai, Mr. Koichi Niihara, and Ms. Asako Kikuno. The maximum amount of liability for damages based on these agreements is the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act. If this proposal is approved, the Company plans to continue its limited liability agreements with the three outside directors mentioned above.

#### 6. D&O Liability Insurance Agreements

The Company has concluded a D&O liability insurance agreement with an insurance company whereby the insured individuals are indemnified against damages incurred (claims for damages incurred by individuals as a result of performing their duties as directors and officers of the company). If this proposal is approved, the candidates will be included as insured individuals covered in the agreement. Also, when the agreement is up for renewal, it is expected to be renewed with the same content.

#### 7. Independent officers

The Company has notified the Tokyo Stock Exchange (TSE) that current outside directors Mr. Iwao Hosokai, Mr. Koichi Niihara, and Ms. Asako Kikuno are independent officers as stipulated by the TSE. If this proposal is approved, the Company intends to register the three directors mentioned above.

## **Proposal No.3: Revision of Remuneration for Auditors**

At the 49th Annual General Meeting of Shareholders held on June 29, 2000, the amount of compensation for the Company's statutory auditors was set at not more than 50 million yen per year.

After considering various circumstances, including subsequent changes in economic conditions, the Company proposes to revise the remuneration of corporate auditors to an annual amount not exceeding ¥100 million yen.

The Compensation Committee (consisting of three outside directors, one outside Audit & Supervisory Board member, and one inside director other than representative director) deliberated on the proposal, taking into account the Company's business scale, the executive compensation system and level, the current number of executives, and subsequent trends. The Board of Directors decided on the proposal based on the Compensation Committee's report with the consent of the Audit & Supervisory Board.

The current number of auditors is four.