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Securities code: 3191
September 2, 2025
(Commencement date of measures for
electronic provision: August 25, 2025)

To Shareholders with Voting Rights:

Ikuro Hirayama
President
JOYFUL HONDA CO., LTD.
1-16-2 Fujisaki, Tsuchiura, Ibaraki
Prefecture

NOTICE OF THE 50th ORDINARY SHAREHOLDERS' MEETING

Dear Shareholders:

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

You are hereby notified that the 50th Ordinary Shareholders' Meeting of JOYFUL HONDA CO., LTD. (the "Company") will be held as described below.

This Shareholders' Meeting will be live-streamed on the Internet for all shareholders. If you wish to view the live-streaming of the Shareholders' Meeting or if you do not plan to attend the meeting in person, please review the guidance on how to exercise voting rights (pages 4-5, available only in Japanese) and exercise your voting rights by 6:45 p.m. on Wednesday, September 17, 2025, Japan time in writing or via electromagnetic means (the Internet, etc.).

In convening this Shareholders' Meeting, the Company has taken measures for electronic provision and posted matters subject to measures for electronic provision as the "NOTICE OF THE 50th ORDINARY SHAREHOLDERS' MEETING" and "Other Matters Subject to Measures for Electronic Provision for the 50th Ordinary Shareholders' Meeting (Matters Omitted from the Paper Copy Delivered)" on **the Company's website** on the Internet. Please access the following website of the Company to review the matters.

The Company's website:

https://www.joyfulhonda.co.jp/en/ir/notice_meeting.html

In addition to the website above, the Company has also posted the matters subject to measures for electronic provision on the website of the Tokyo Stock Exchange, Inc. (TSE). To review the matters, please visit the **TSE website (TSE Listed Company Search)** below and enter and search for the issue name "JOYFUL HONDA" or the security code "3191" and select "Basic information" and "Documents for public inspection/PR information," followed by "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting."

Tokyo Stock Exchange website (TSE Listed Company Search):

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

- 1. Date and Time:** **Thursday, September 18, 2025 at 2:00 p.m. Japan time
(Reception will begin at 1:00 p.m.)**
- 2. Place:** **Subaru, Annex 1F, Hotel Nikko Tsukuba**
1-1364-1 Azuma, Tsukuba, Ibaraki Prefecture
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report and Non-consolidated Financial Statements for the Company's 50th Fiscal Year (June 21, 2024 to June 20, 2025)
- Proposals to be resolved:**
- Proposal 1:** Election of Five Directors
- Proposal 2:** Election of Three Statutory Auditors
- Proposal 3:** Election of One Substitute Statutory Auditor

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- The proceedings of the Shareholders' Meeting will be live-streamed (real time) on the Internet on the day of the meeting to enable shareholders to watch from their own homes or elsewhere. In addition, the proceedings of the Shareholders' Meeting will be available for viewing on demand at a later date.
 - Please be advised in advance that you will be only viewing the live-streaming of the Shareholders' Meeting and will not be able to engage in such activities as asking questions or participating in the voting process.
 - We have sent only this notice of convocation to shareholders who have not requested the delivery of paper copy.
 - The following matters are not contained in the paper copy provided to shareholders who requested it pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company. The Statutory Auditors and the Accounting Auditor have audited the documents subject to audit, including the following matters.
 - (1) "Systems to ensure the appropriateness of operations and operational status of such systems" in the Business Report
 - (2) "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
 - When attending the meeting, please present the enclosed Exercise of Voting Rights Form at the reception desk.
 - If there are any revisions to the matters subject to measures for electronic provision, they will be posted on the Company's website and the TSE website where such matters were provided.

Notice of Resolutions at the Shareholders' Meeting

To conserve resources, we have discontinued sending written notices of resolutions at the Shareholders' Meeting to shareholders. Instead, they will be posted on the Company's website after the meeting. We appreciate your understanding.

Reference Documents for the Shareholders' Meeting

Proposals and References






Proposal 1: Election of Five Directors

The terms of office of all five Directors will expire at the conclusion of this meeting. Accordingly, the election of five Directors is proposed.

The candidates for Director have been selected based on the report submitted by the voluntary Nomination Committee, chaired by an External Director with the majority of the members being External Directors, in accordance with the “Standards for Election of Directors and Statutory Auditors” (listed on pages 15-16).

In addition, the candidates for External Director satisfy the “Independence Standards for External Officers” (listed on page 17).

The candidates for Director are as follows:

No.		Name		Current positions at the Company	Attendance at the Board of Directors meetings
1	Reappointment	Ikuo Hirayama		President	14 out of 14 (100%)
2	Reappointment	Masaru Honda		Director & Counselor	14 out of 14 (100%)
3	Reappointment	Touko Shirakawa		External Independent	14 out of 14 (100%)
4	Reappointment	Keita Tokura		External Independent	14 out of 14 (100%)
5	New appointment	Shinichi Shibayama		External Independent	—

(Note) In addition to the number of Board of Directors meetings stated above, two written resolutions were deemed resolutions of the Board of Directors pursuant to Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.



Male



Female

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Ikuo Hirayama (February 6, 1965) <u>Reappointment</u>	<p>March 1987 Joined the Company</p> <p>September 2015 Director; General Manager, Merchandising Department and General Manager, Merchandise Development Office</p> <p>February 2016 Director</p> <p>February 2016 Director, Honda Sangyo Co., Ltd.</p> <p>March 2016 Managing Director, Honda Sangyo Co., Ltd.</p> <p>April 2017 Managing Director; General Manager, Administration Group, General Manager, Management Planning Department, and General Manager, General Administration Department, the Company</p> <p>July 2017 Managing Director; General Manager, Management Planning Group</p> <p>July 2018 In charge of Management Planning Office, Public Relations and IR Office, and Project Promotion Office</p> <p>November 2018 In charge of Management Planning Office, Public Relations and IR Office, and Business Coordination</p> <p>February 2019 In charge of Management Planning Office, Public Relations and IR Office, Project Promotion Office, New Business Development, and Business Coordination</p> <p>February 2019 Director, JOYFUL AK CO., LTD.</p> <p>June 2019 Director & Senior Executive Officer; General Manager, Administration Group, the Company</p> <p>March 2021 Director, MTJ FITNESS Corporation (to present)</p> <p>June 2021 Director, Senior Executive Officer & COO, the Company</p> <p>August 2022 Director, Senior Executive Officer & COO and General Manager, Reform Division</p> <p>June 2023 President (to present)</p> <p>May 2025 Director, JOYFUL AK CO., LTD. (to present)</p>	25,300 shares
	Reasons for nomination as candidate for Director	<p>Mr. Ikuo Hirayama, at the Company, has been engaged in operations such as store management and the Merchandising Department for many years, and has successively held positions such as General Manager of the Merchandising Department, General Manager of the Administration Group, and Senior Executive Officer & COO. Since June 2023, he has been serving as President of the Company and is leading the Company by demonstrating strong leadership. With a wealth of experience in store management and the ability to execute business, as well as a wide range of knowledge about the Company's business, the Company judges that he is qualified to further enhance the corporate value of the Company, and renominates him as a candidate for Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Masaru Honda (February 14, 1959) <u>Reappointment</u>	March 1986 Joined Honda Sangyo Co., Ltd. October 1992 Director October 1998 Senior Managing Director January 2001 Director, Joyful Honda Co., Ltd. October 2003 President, Honda Sangyo Co., Ltd. August 2005 Director, the Company September 2016 Counselor September 2017 Director April 2018 Chairman, Honda Sangyo Co., Ltd. April 2020 Director & Counselor, the Company (to present)	1,847,500 shares
	Reasons for nomination as candidate for Director	Mr. Masaru Honda has held important positions at the Company and Group companies and has a wealth of experience and wide-ranging insight related to the management of the Company. As a Director of the Company, he appropriately fulfills his role such as making decisions on important management matters and supervising the business execution. The Company judges that he is qualified to further enhance the corporate value of the Company, and renominates him as a candidate for Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Touko Shirakawa</p> <p>(April 25, 1961)</p> <p>Reappointment</p> <p>External</p> <p>Independent</p>	<p>April 2002 Fully-fledged start of writing activities</p> <p>April 2013 Visiting Professor, Sagami Women's University</p> <p>September 2015 Private Member, "Japan Conference for Promoting Dynamic Engagement of All Citizens," Cabinet Secretariat</p> <p>March 2016 Committee Member, "Priority Policy Specialized Survey," Gender Equality Bureau, Cabinet Office</p> <p>September 2016 Expert Member, "Working Style Reform Realization Conference," Cabinet Secretariat</p> <p>March 2017 Expert Committee Member, "Conference for Gender Equality Priority Policy Specialized Survey," Gender Equality Bureau, Cabinet Office</p> <p>May 2017 Follow-up Meeting Committee Member, "Japan Plan for Promoting Dynamic Engagement of All Citizens," Cabinet Secretariat</p> <p>March 2018 Public Interest Commissioner, "Council for Initiatives for Promoting the SDGs in the Securities Industry," Japan Securities Dealers Association</p> <p>April 2018 Visiting Professor, Center for General Education, Showa Women's University</p> <p>October 2018 Follow-up Meeting Committee Member, "Working Style Reform Realization Conference," Cabinet Secretariat</p> <p>June 2019 Committee Member, "Investigative Committee on the New Ways of Convenience Stores," Ministry of Economy, Trade and Industry</p> <p>March 2020 Committee Member, "Investigative Committee for Promotion and Deployment of Telework," Ministry of Internal Affairs and Communications</p> <p>April 2020 Specially Appointed Professor, The Graduate School of Sagami Women's University</p> <p>April 2020 Outside Director, sanwacompany ltd.</p> <p>September 2020 External Director, the Company (to present)</p> <p>April 2021 Outside Director, Daiwa Asset Management Co. Ltd. (to present)</p> <p>July 2021 Director, People&Communities Network</p> <p>July 2022 Outside Director, SUMITOMO LIFE INSURANCE COMPANY (to present)</p> <p>April 2025 Visiting Professor, Diversity Promotion Organization, Showa Women's University (to present)</p>	- shares
	Reasons for nomination as candidate for External Director and expected roles	<p>Ms. Touko Shirakawa, although she does not have direct experience in corporate management, for many years she has worked in various fields as a journalist, writer, educator, and committee member of various public councils on themes such as work style reform, diversity, women's empowerment, work-life balance, autonomous career development, and SDGs, and has a wealth of experience and wide-ranging insight. We believe that by leveraging her wealth of experience and wide-ranging insight, she will make useful suggestions on overall management, supervise the Company's management decisions and business execution from an independent and objective standpoint, and play a sufficient role in improving our employees' work styles and career development for women, among other areas. Based on such expectation, the Company renominates her as a candidate for External Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Keita Tokura (May 2, 1981) <u>Reappointment</u> <u>External</u> <u>Independent</u>	April 2004 Joined the Legal Training and Research Institute of Japan, Supreme Court of Japan October 2005 Graduated from the Legal Training and Research Institute of Japan, Supreme Court of Japan and registered as an attorney-at- law Joined Anderson Mori & Tomotsune (currently Anderson Mori & Tomotsune Foreign Law Joint Enterprise) April 2008 Worked at Daiwa Securities SMBC Co. Ltd. June 2012 Registered as an attorney-at-law in the state of New York, U.S.A. January 2014 Partner, Anderson Mori & Tomotsune (currently Anderson Mori & Tomotsune Foreign Law Joint Enterprise) (to present) April 2016 Part-time Lecturer, Faculty of Economics, Seikei University December 2019 External Statutory Auditor, Idein Inc. (to present) April 2020 Part-time Lecturer, Graduate School of Law, Hitotsubashi University (to present) September 2020 External Director, the Company (to present)	- shares
	Reasons for nomination as candidate for External Director and expected roles	Mr. Keita Tokura, although he does not have direct experience in corporate management, has been engaged in corporate law practice mainly in the fields of corporate mergers and acquisitions, various financial transactions including capital markets, as well as corporate governance. He also has extensive experience and broad insight into corporate strategic decision-making, including legal matters, M&A, and IT, having worked in the M&A advisory division of a securities company. We believe that by leveraging his wealth of experience and wide-ranging insight, he will make meaningful suggestions on overall management, supervise the Company's management decisions and business execution from an independent and objective standpoint, and play a sufficient role in the Company's future business strategies and other areas. Based on such expectation, the Company renominates him as a candidate for External Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Shinichi Shibayama (June 2, 1957) New appointment External Independent	<p>April 1980 Joined NEC Corporation</p> <p>August 1990 Joined Nomura Research Institute, Ltd.</p> <p>April 2000 General Manager, Management Consulting Department</p> <p>April 2002 Division Manager, Consulting Division I</p> <p>April 2004 Division Manager, Consulting Business Promotion Division</p> <p>April 2005 General Manager, Public Relations Department, and General Manager, Investor Relations Department</p> <p>April 2009 General Manager, General Affairs Department</p> <p>April 2012 Representative Director and President, NRI Data i Tech, Ltd.</p> <p>July 2015 Representative Director and President, NRI Mirai, Ltd.</p> <p>April 2017 Professor, The Graduate School of Information & Communication (currently The Graduate School of Social Design)</p> <p>June 2018 External Director, Wilson Learning Worldwide Inc. (to present)</p> <p>June 2019 Director, SHiDAX CORPORATION</p> <p>June 2019 President, Japan Society for Corporate Communication Studies</p> <p>April 2020 Director; Senior Managing Corporate Officer, SHiDAX CORPORATION</p> <p>June 2022 Director, Public Relations Society of Japan (to present)</p> <p>April 2025 Professor, The Graduate School of Management and Education Technology (to present)</p>	- shares
	Reasons for nomination as candidate for External Director and expected roles	<p>Having held important positions at Nomura Research Institute, Ltd. and its group companies and been engaged in the management of multiple companies, Mr. Shinichi Shibayama has a wealth of experience and insight related to corporate management and consulting. In addition, he served as President of the Japan Society for Corporate Communication Studies and possesses both academic knowledge and practical experience in the field of public relations. We believe that by leveraging his wealth of experience and wide-ranging insight, he will make useful suggestions on overall management, supervise the Company's management decisions and business execution from an independent and objective standpoint, and play a sufficient role in the Company's future business strategies. Based on such expectation, the Company nominates him as a candidate for External Director.</p>	

- (Notes)
1. Joyful Honda Co., Ltd., which is listed in past experience, merged with the Company in June 2011 and ceased to exist.
 2. Honda Sangyo Co., Ltd., which is listed in past experience, merged with the Company in March 2020 and ceased to exist.
 3. There are no special interests between each of the candidates for Director and the Company.
 4. The name of Director candidate Ms. Touko Shirakawa on her family register is Miki Kobayashi.
 5. Ms. Touko Shirakawa, Mr. Keita Tokura, and Mr. Shinichi Shibayama are candidates for External Director.
 6. The terms of office for External Director of the Company for Ms. Touko Shirakawa and Mr. Keita Tokura are five years, and five years, respectively at the conclusion of this meeting.
 7. If the elections of Mr. Masaru Honda, Ms. Touko Shirakawa, and Mr. Keita Tokura for Director are approved, the Company plans to continue agreements with Mr. Masaru Honda, Ms. Touko Shirakawa, and Mr. Keita Tokura in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his or her liability for damages. The maximum liability amount based on said agreements is either three million yen or the amount stipulated by laws and regulations, whichever is higher.
 8. If the election of Mr. Shinichi Shibayama for Director is approved, the Company plans to enter into an agreement with Mr. Shinichi Shibayama in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages. The maximum liability amount based on said agreement is either three million yen or the amount stipulated by laws and regulations, whichever is higher.
 9. Ms. Touko Shirakawa and Mr. Keita Tokura, candidates for External Director, have been designated as independent officers based on the Company's Independence Standards for External Officers, in addition to the requirements stipulated by the Tokyo Stock Exchange, and have been reported to the Exchange as such. If they are elected as originally proposed, they will continue to be independent officers.
 10. If Mr. Shinichi Shibayama, a candidate for External Director, is elected as originally proposed, he will be designated as an independent officer based on the Company's Independence Standards for External Officers, in addition to the requirements stipulated by the Tokyo Stock Exchange, and will be reported to the Exchange as such.
 11. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of

the Companies Act. If this proposal is approved as originally proposed and the Directors are appointed, each candidate will be included as the insured under this insurance policy. In addition, we plan to renew the contract in August 2026. The officers, etc., who are included as insured in this insurance policy shall receive compensation for their liability borne from performance of their duties or for their liability arising from claims in pursuit of that liability. However, in order to ensure that the performance of duties of the insured are not compromised, there are certain exemptions, such as damages caused by actions of the insured with the knowledge that they are in violation of laws and regulations will not be covered. The insurance fee for the policy and all added special clauses is borne by the Company.

Proposal 2: Election of Three Statutory Auditors




The terms of office of all three Statutory Auditors will expire at the conclusion of this meeting. Accordingly, the election of three Statutory Auditors is proposed.

The candidates for Statutory Auditor have been selected based on the report submitted by the voluntary Nomination Committee, chaired by an External Director with the majority of the members being External Directors, in accordance with the “Standards for Election of Directors and Statutory Auditors” (listed on pages 15-16).

In addition, the candidates for External Statutory Auditor satisfy the “Independence Standards for External Officers” (listed on page 17).

The Board of Statutory Auditors has given its approval to this proposal.

The candidates for Statutory Auditor are as follows:

No.		Name		Current positions at the Company	Attendance at the Board of Directors and Board of Statutory Auditors meetings
1	Reappointment	Yumiko Otagiri	 External Independent	External Statutory Auditor	Board of Directors meetings: 14 out of 14 (100%) Board of Statutory Auditors meetings: 17 out of 17 (100%)
2	New appointment	Shinsuke Uchinashi	 External Independent	—	—
3	New appointment	Akiko Ozawa	 External Independent	—	—

(Note) In addition to the number of Board of Directors meetings stated above, two written resolutions were deemed resolutions of the Board of Directors pursuant to Article 370 of the Companies Act and Article 24 of the Company’s Articles of Incorporation.



Male



Female

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	Yumiko Otagiri (December 14, 1975) Reappointment External Independent	<p>October 2002 Joined Chuo Aoyama Audit Corporation</p> <p>July 2007 Joined KPMG FAS Co., Ltd.</p> <p>December 2015 Joined Nihon M&A Center Inc.</p> <p>October 2019 General Manager, Corporate Planning Office, TOKYO PRO Market Business Department</p> <p>April 2021 General Manager, Strategic Promotion Office, President's Management Office</p> <p>September 2021 External Statutory Auditor, the Company (to present)</p> <p>April 2022 Senior Manager, Project Management Section, Project Management Strategy Department, Project Management Division, Nihon M&A Center Inc.</p> <p>October 2022 Senior Manager, M&A Advisory, Grant Thornton Taiyo Advisors Co., Ltd.</p> <p>September 2024 Director, M&A Advisory (to present)</p>	- shares
	Reasons for nomination as candidate for External Statutory Auditor	<p>Ms. Yumiko Otagiri possesses profound management insight drawn from her specialized knowledge and experience in finance and accounting as a certified public accountant, as well as her experience in M&A advisory services. We believe that by leveraging her specialized knowledge, experience, and profound insight, she will contribute to the enhancement of the Company's audit structure. Based on such expectation, the Company renominates her as a candidate for External Statutory Auditor. Although she does not have direct experience in company management, for the reasons stated above, we judge that she will be able to appropriately execute the duties of an External Statutory Auditor.</p>	
2	Shinsuke Uchinashi (March 26, 1957) New appointment External Independent	<p>April 1979 Joined Fuji Bank Limited (currently Mizuho Bank, Ltd.)</p> <p>August 2004 General Manager, Kamata Branch, Mizuho Bank, Ltd.</p> <p>April 2010 Executive Officer and General Manager, Credit Supervision Division IV</p> <p>May 2011 Senior Executive Operating Officer, JUKI CORPORATION</p> <p>March 2013 Managing Officer</p> <p>March 2017 Director and Managing Officer</p> <p>March 2018 Director and Senior Managing Officer</p> <p>March 2020 Representative Director and Senior Managing Officer</p> <p>January 2021 Representative Director, President and COO</p> <p>March 2023 Director and President</p> <p>September 2023 Outside Director, AIMECHATEC, Ltd.</p> <p>July 2024 Director, JUKI CORPORATION</p> <p>March 2025 Advisor</p>	- shares
	Reasons for nomination as candidate for External Statutory Auditor	<p>Having served as an Executive Officer at Mizuho Bank, Ltd., Mr. Shinsuke Uchinashi has a wealth of experience in a financial institution and advanced expertise in finance and accounting. In addition, he took the office of Representative Director, President and COO of JUKI CORPORATION in 2021, where he assumed the responsibility of managing the global manufacturer, and possesses exceptional insight and a proven track record in corporate management. We believe that by leveraging his wealth of experience, advanced expertise, as well as exceptional knowledge and a proven track record as a corporate executive, he will contribute to the enhancement of the Company's audit structure. Based on such expectation, the Company nominates him as a candidate for External Statutory Auditor.</p>	

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
3	Akiko Ozawa (February 15, 1987) New appointment External Independent	December 2012 Registered as an attorney-at-law with the Tokyo Bar Association December 2012 Joined Century Law Office January 2021 Seconded to the Secretariat of Japan Casino Regulatory Commission, an external bureau of the Cabinet Office June 2023 External Auditor, Churitsu Electric Corporation January 2024 Reemployment Surveillance Inspector, Ministry of Defense (to present) January 2024 Judicial Commissioner, Tokyo Summary Court March 2024 External Auditor, Challenergy Inc. (to present) March 2024 External Auditor, THIRD Inc. February 2025 Established GK General Law Office Representative Director (to present)	- shares
	Reasons for nomination as candidate for External Statutory Auditor	Having been involved as an attorney-at-law in corporate legal affairs, M&A, and labor disputes, Ms. Akiko Ozawa has a wealth of experience and knowledge as a legal expert. In addition, she also possesses practical knowledge about overseeing corporate management gained through her experience serving as an external auditor. Furthermore, she has established a legal office and owns outstanding insight into organizational management. We believe that by leveraging her specialized knowledge, experience, and profound insight, she will contribute to the enhancement of the Company's audit structure. Based on such expectation, the Company nominates her as a candidate for External Statutory Auditor. Although she does not have direct experience in corporate management, for the reasons stated above, we judge that she will be able to appropriately execute the duties of an External Statutory Auditor.	

- (Notes)
1. There are no special interests between each of the candidates for Statutory Auditor and the Company.
 2. The name of Statutory Auditor candidate Ms. Akiko Ozawa on her family register is Akiko Totsuka.
 3. Ms. Yumiko Otagiri, Mr. Shinsuke Uchinashi, and Ms. Akiko Ozawa are candidates for External Statutory Auditor.
 4. The term of office for External Statutory Auditor of the Company for Ms. Yumiko Otagiri is four years at the conclusion of this meeting.
 5. If the election of Ms. Yumiko Otagiri for Statutory Auditor is approved, the Company plans to continue an agreement with Ms. Yumiko Otagiri in accordance with Article 427, Paragraph 1 of the Companies Act, to limit her liability for damages. The maximum liability amount based on said agreement is either three million yen or the amount stipulated by laws and regulations, whichever is higher.
 6. If the elections of Mr. Shinsuke Uchinashi and Ms. Akiko Ozawa for Statutory Auditor are approved, the Company plans to enter into agreements with Mr. Shinsuke Uchinashi and Ms. Akiko Ozawa in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his or her liability for damages. The maximum liability amount based on said agreements is either three million yen or the amount stipulated by laws and regulations, whichever is higher.
 7. Ms. Yumiko Otagiri, a candidate for External Statutory Auditor, has been designated as an independent officer based on the Company's Independence Standards for External Officers, in addition to the requirements stipulated by the Tokyo Stock Exchange, and has been reported to the Exchange as such. If she is elected as originally proposed, she will continue to be an independent officer.
 8. If Mr. Shinsuke Uchinashi and Ms. Akiko Ozawa, candidates for External Statutory Auditor, are elected as originally proposed, they will be designated as independent officers based on the Company's Independence Standards for External Officers, in addition to the requirements stipulated by the Tokyo Stock Exchange, and will be reported to the Exchange as such.
 9. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed and the Statutory Auditors are appointed, each candidate will be included as the insured under this insurance policy. In addition, we plan to renew the contract in August 2026. The officers, etc., who are included as insured in this insurance policy shall receive compensation for their liability borne from performance of their duties or for their liability arising from claims in pursuit of that liability. However, there are certain exemptions, such as damages caused by actions of the insured with the knowledge that they are in violation of laws and regulations will not be covered. The insurance fee for the policy and all added special clauses is borne by the Company.

Proposal 3: Election of One Substitute Statutory Auditor

To prepare for a case in which the number of Statutory Auditors falls short of the number required by laws and regulations, the election of one substitute Statutory Auditor is proposed in advance.

If appointed as a substitute Statutory Auditor, the term of office shall be the remaining term of his predecessor.

The resolution shall remain in effect until the commencement of the next Ordinary Shareholders' Meeting.

The candidate for substitute Statutory Auditor has been selected based on the report submitted by the voluntary Nomination Committee, chaired by an External Director with the majority of the members being External Directors, in accordance with the "Standards for Election of Directors and Statutory Auditors" (listed on pages 15-16).

In addition, the Board of Statutory Auditors has given its approval to this proposal.

The candidate for substitute Statutory Auditor is as follows:

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Toshihiro Masubuchi (July 2, 1961)	September 2013 Director; General Manager, General Administration and Human Resources Group, Kojima Co., Ltd. January 2015 Joined the Company as Manager, Merchandising Department September 2018 Statutory Auditor, Honda Sangyo Co., Ltd. March 2020 General Manager in charge of Art & Craft Division, Internal Control Promotion Department, the Company June 2021 In charge of Internal Control Promotion, General Administration Department June 2023 In charge of Legal Affairs and Risk Management, Risk Management Department (to present)	100 shares

- (Notes)
1. Honda Sangyo Co., Ltd., which is listed in past experience, merged with the Company in March 2020 and ceased to exist.
 2. There are no special interests between the candidate for substitute Statutory Auditor and the Company.
 3. Reasons for nomination as candidate for substitute Statutory Auditor
Mr. Toshihiro Masubuchi has been involved in the overall corporate management at Kojima Co., Ltd., and has served as a Statutory Auditor of a Group company as well as the person in charge of the Company's Internal Control Promotion Department, Risk Management Department and others. The Company nominates him as a candidate for substitute Statutory Auditor with an expectation that he will apply his wealth of experience and deep insight to the Company's audits.
 4. If Mr. Toshihiro Masubuchi is appointed as Statutory Auditor, the Company plans to conclude an agreement with Mr. Toshihiro Masubuchi in accordance with Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages. The maximum liability amount based on said agreement is either three million yen or the amount stipulated by laws and regulations, whichever is higher.
 5. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If this proposal is approved as originally proposed and the Statutory Auditor is appointed, Mr. Toshihiro Masubuchi will be included as the insured under this insurance policy. In addition, we plan to renew the contract in August 2026. The officers, etc., who are included as insured in this insurance policy shall receive compensation for their liability borne from performance of their duties or for their liability arising from claims in pursuit of that liability. However, in order to ensure that the performance of duties of the insured are not compromised, there are certain exemptions, such as damages caused by actions of the insured with the knowledge that they are in violation of laws and regulations will not be covered. The insurance fee for the policy and all added special clauses is borne by the Company.

(Reference)

Areas of expertise particularly expected of Director and Statutory Auditor candidates

The areas (up to three) in which the Company has particular expectations of the candidates for Director, proposed in Proposal 1, and the candidates for Statutory Auditor, proposed in Proposal 2, are as follows.

	No.	Name	Corporate Management	Industry Experience	Legal Affairs / Governance	Financial Accounting / M&A	HR / Diversity	IT / Digital	Environment / Society
Directors	1	Ikuo Hirayama	●	●			●		
	2	Masaru Honda	●	●					●
	3	Touko Shirakawa			●		●		●
	4	Keita Tokura			●	●		●	
	5	Shinichi Shibayama	●		●	●			
Statutory Auditors	1	Yumiko Otagiri			●	●			
	2	Shinsuke Uchinashi	●		●	●			
	3	Akiko Ozawa			●		●		

- (Notes) 1. The above matrix does not cover all the expertise, experience, and knowledge possessed by candidates for Director and Statutory Auditor.
2. Industry experience refers to experience in the distribution or retail industry.

(Reference)

<Standards for Election of Directors and Statutory Auditors>

1. Directors

(1) Election policy for candidates for Director

The Board of Directors shall be of an appropriate size for deliberations. From the perspective of ensuring diversity in order to realize appropriate decision-making and management supervision, multiple persons who possess excellent insight and a high degree of expertise from both inside and outside the company will be appointed.

(2) Election standards for candidates for Director

- (i) Possess excellent management insight
- (ii) Have a law-abiding spirit, ethics, and social responsibility
- (iii) Have an ability to see things from a high vantage point with a broad perspective, as well as excellent foresight and insight
- (iv) Have the ability to make the best decisions for the Company in accordance with the “Principles of Business Judgment”
- (v) External Directors must have a total tenure of less than eight years, and be able to not only supervise management but also provide useful advice and recommendations to management
- (vi) Directors must be able to secure enough time to faithfully perform their duties

(3) Election procedures for candidates for Director

The President and the External Director who is the chair of the Nomination Committee will prepare proposals for appointing candidates for Director, and after deliberation by the Nomination Committee, the Board of Directors will make a resolution and submit it to the shareholders' meeting.

2. Statutory Auditors

(1) Election policy for candidates for Statutory Auditor

In order to appropriately audit the execution of duties by Directors with neutrality and independence, persons with excellent management insight are appointed.

(2) Election standards for candidates for Statutory Auditor

- (i) Statutory Auditors must have a total tenure of less than eight years, and have excellent character and insight, with expertise in either law, financial accounting, or corporate management
- (ii) Have a law-abiding spirit, ethics, and social responsibility
- (iii) Be able to ensure a fair and unbiased attitude from the perspective of independence
- (iv) Be able to have smooth dialogue with management for the purpose of ensuring the soundness and transparency of management
- (v) Statutory Auditors must be able to secure enough time to faithfully perform their duties

(3) Election procedures for candidates for Statutory Auditor

The President and the External Director who is the chair of the Nomination Committee will prepare proposals for appointing candidates for Statutory Auditor. The Nomination Committee deliberates on the proposals by giving due respect to the opinions of the Statutory Auditors (Board). After obtaining the consent of the Board of Statutory Auditors, the Board of Directors will make a resolution and submit it to the shareholders' meeting.

(Reference)

<Independence Standards for External Officers>

The Company determines that its external officers (External Directors and External Statutory Auditors) are not independent if, in addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange, any of the following items (1) through (3) applies.

- (1) A person who is currently, or has been in the past ten years, an executive (Note 2) of the Group (Note 1)
- (2) A person who has fallen under any of the following a. to g. in the past three years
 - a. A business partner whose annual transaction amount with the Group exceeds 10 million yen in a single fiscal year and which exceeds 2% of the net sales of either the Company or such business partner, or an executive thereof
 - b. A major shareholder holding voting rights exceeding 5% of the total voting rights of the Company, or an executive thereof
 - c. Lenders of the Group that have loaned to the Group an amount exceeding 2% of the total assets of the Company in the most recent fiscal year (if the lender is a corporation or other organization, an executive thereof)
 - d. A person who receives donations or subsidies exceeding 10 million yen annually from the Group (if the person having such relationship is a corporation or other organization, an executive thereof)
 - e. A person who provides professional services such as a consultant, lawyer, certified public accountant, etc., who receives monetary or other financial benefits exceeding 10 million yen annually from the Company, other than remuneration for their service as Directors or Statutory Auditors; or a person who belongs to an organization that provides professional services, such as a consulting firm, a law firm, or an auditing firm which receives remuneration exceeding 10 million yen annually and exceeding 2% of its net sales or total annual revenue
 - f. In the event that an executive of the Company is appointed as an external officer of another company, an executive for such other company
 - g. A certified public accountant who belongs to the auditing firm that is the Company's Accounting Auditor
- (3) Spouse or relative within the second degree of kinship of a person listed in (1) and (2) above

(Note 1) The Group means the Company and its subsidiaries. The same applies within the Independent Standards.

(Note 2) An executive is defined in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, and includes not only executive Directors but also employees. The same applies within the Independent Standards.