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(Securities Code: 9869)

December 4, 2023

To our shareholders:

Kazuya Kato, President and Director
KATO SANGYO CO., LTD.
9-20, Matsubara-cho, Nishinomiya, Hyogo

Notice of the 77th Annual General Meeting of Shareholders

We are pleased to announce the 77th Annual General Meeting of Shareholders of KATO SANGYO CO., LTD. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items subject to measures for electronic provision) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company website

https://www.katosangyo.co.jp/irinfo/shareholders_meeting/ (in Japanese)

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “KATO SANGYO” in “Issue name (company name)” or the Company’s securities code “9869” 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].”)

If you are unable to attend the meeting in person, you can exercise your voting rights in writing (by postal mail) or via the internet. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights before Thursday, December 21, 2023, at 5:30 p.m. (JST).

1. **Date and Time:** Friday, December 22, 2023, at 10:00 a.m. (JST)
2. **Venue:** Large conference room, South building 4th Floor, Head Office of the Company
8-5, Matsubara-cho, Nishinomiya, Hyogo

3. **Purpose of the Meeting**

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 77th fiscal year (from October 1, 2022 to September 30, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 77th fiscal year (from October 1, 2022 to September 30, 2023)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Amendment to the Articles of Incorporation

Proposal No. 3: Election of Eight (8) Directors

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

Proposal No. 5: Payment of Retirement Benefits to Retiring Directors and Final Payments to Directors of Retirement Benefits Arising from the Abolition of Retirement Benefit Plan

Proposal No. 6: Introduction of Restricted Stock Remuneration Plan for Directors Other Than Outside Directors

- When you attend the meeting, you are kindly requested to present the voting form at the reception. Also, please be sure to bring this Notice with you.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the websites mentioned above.
- In accordance with a revision of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing either of the websites mentioned above, and we have decided to deliver paper-based documents including the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this General Meeting of Shareholders, we have delivered paper-based documents including the items subject to measures for electronic provision to all shareholders with voting rights, regardless of whether or not they have requested them.
In accordance with the provisions of laws and regulations and Article 15, paragraph 2 of the Company's Articles of Incorporation, the following items subject to measures for electronic provision are excluded from the paper-based documents delivered to shareholders who have requested delivery of such documents.
(1) Notes to the Consolidated Financial Statements
(2) Notes to the Non-consolidated Financial Statements
Accordingly, the paper-based documents include a portion of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Financial Auditor in preparing the financial audit report, and a portion of the consolidated financial statements and the non-consolidated financial statements that were audited by Audit & Supervisory Board Members in preparing the audit report.
- If the status of COVID-19 infections or other developments necessitate a major change in the way the General Meeting of Shareholders is run, shareholders will be informed via the Company's website, so you are requested to check the website in advance.

The Company website <https://www.katosangyo.co.jp/> (in Japanese)

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

We recognize that returning our profits to our shareholders is an important policy of management and have the basic policy of maintaining a fair dividend that is stable and commensurate with business performance while improving our earning capacity and enhancing our financial structure. In addition, with respect to internal reserves, we will proactively utilize them for enrichment of logistics function, information system upgrade, as well as the investment in new businesses for further strengthening our management base.

Furthermore, the Company previously announced that for three fiscal years it will pay a special dividend of ¥3 per share, beginning with the year-end dividend for the 76th fiscal year, and accordingly it proposes to pay the special dividend of ¥3 per share this fiscal year also.

In accordance with the aforementioned policy, the Company proposes the appropriation of surplus for the 77th fiscal year as follows:

Year-end dividends

- (1) Type of dividend property

To be paid in cash.

- (2) Allotment of dividend property to shareholders and their aggregate amount

¥50 per common share of the Company (including a special dividend of ¥3)

Total payment: ¥1,681,248,950

(Note) As the Company has already paid an interim dividend of ¥47 per share, the annual dividend will be ¥97 per share.

- (3) Effective date of dividends of surplus

The effective date of dividends will be December 25, 2023.

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reasons for proposal

- (1) Following the introduction of a system under which authority is delegated to Executive Officers, the proposed amendment to Article 17 aims to increase the ratio of Outside Directors to strengthen the supervisory function of the Board of Directors by reducing the upper limit on the number of Directors from 25 to 12.
- (2) The proposed amendments to Articles 13 and 21 are intended to enable more flexible operation of the general meeting of shareholders and the Board of Directors by changing the Convener of the general meeting of shareholders and the Board of Directors, and the Chairperson, from the President and Director to a Director determined in advance by the Board of Directors.
- (3) The proposed amendment creating a new provision in Article 34 is intended to facilitate a more agile capital and dividend policy by enabling purchase of treasury shares and dividends of surplus, etc. by a resolution of the Board of Directors, in accordance with the provisions of Article 459, paragraph (1) of the Companies Act. In addition to deleting the provisions of Article 7 (Purchase of Treasury Shares) of the current Articles of Incorporation, the content of which overlaps with the proposed amendment, the Company proposes to change Article 36 of the current Articles of Incorporation (Interim Dividend and Record Date) in order to enable a more agile approach to returns to shareholders. Furthermore, because no provision based on Article 460, paragraph (1) of the Companies Act (“Restriction on Rights of Shareholders”) has been established in the Articles of Incorporation, the payment of dividends of surplus, etc. pursuant to a resolution of the general meeting of shareholders is not excluded in future, based on Article 35 of the current Articles of Incorporation.
- (4) Article numbers will be changed in accordance with the above-mentioned amendments.

2. Details of amendments

The details of amendments are as follows:

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 7.</u> (Purchase of Treasury Shares) <u>The Company may purchase treasury shares through a market transaction, etc. following a resolution by the Board of Directors in accordance with the provisions of Article 165, paragraph (2) of the Companies Act.</u></p> <p>Articles <u>8 - 13</u> (Omitted)</p> <p>Article <u>14.</u> (Convener and Chairperson)</p> <ul style="list-style-type: none"> 1. The <u>President and Director</u> shall convene and chair the general meeting of shareholders. 2. When the <u>President and Director</u> has met with an accident, another Director shall convene and chair the general meeting of shareholders, in accordance with a procedure determined in advance by the Board of Directors. <p>Articles <u>15 - 17</u> (Omitted)</p> <p>Article <u>18.</u> (Number of Directors) The number of Directors of the Company shall be no more than <u>25</u>.</p> <p>Articles <u>19 - 21</u> (Omitted)</p>	<p>(Deleted)</p> <p>Articles <u>7 - 12</u> (Unchanged)</p> <p>Article <u>13.</u> (Convener and Chairperson)</p> <ul style="list-style-type: none"> 1. The general meeting of shareholders shall be convened and chaired by a <u>Director determined in advance by the Board of Directors.</u> 2. When the <u>Director in the preceding paragraph</u> has met with an accident, another Director shall convene and chair the general meeting of shareholders, in accordance with a procedure determined in advance by the Board of Directors. <p>Articles <u>14 - 16</u> (Unchanged)</p> <p>Article <u>17.</u> (Number of Directors) The number of Directors of the Company shall be no more than <u>12</u>.</p> <p>Articles <u>18 - 20</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>Article <u>22</u>. (Convener and Chairperson of the Board of Directors)</p> <ol style="list-style-type: none"> 1. The <u>President and Director</u> shall convene and chair the Board of Directors. 2. When the <u>President and Director</u> has met with an accident, another Director shall convene and chair the Board of Directors, in accordance with a procedure determined in advance by the Board of Directors. <p>Articles <u>23 - 34</u> (Omitted) (Newly established)</p> <p>Article 36. (<u>Interim Dividend and Record Date</u>) <u>By a resolution of the Board of Directors the Company may pay a dividend of surplus as an interim dividend to shareholders or registered pledgees of shares on the record date, which shall be March 31 of each year.</u> (Newly established)</p>	<p>Article <u>21</u>. (Convener and Chairperson of the Board of Directors)</p> <ol style="list-style-type: none"> 1. The Board of Directors shall be convened and chaired by <u>a Director determined in advance by the Board of Directors.</u> 2. When the <u>Director in the preceding paragraph</u> has met with an accident, another Director shall convene and chair the Board of Directors, in accordance with a procedure determined in advance by the Board of Directors. <p>Articles <u>22 - 33</u> (Unchanged)</p> <p><u>Article 34. (Organizational Body Determining Dividends, Etc. of Surplus, Etc.)</u> <u>Matters such as dividends of surplus, etc. provided for in each of the items of Article 459, paragraph (1) of the Companies Act may be determined by a resolution of the Board of Directors, unless otherwise provided for by laws and regulations.</u></p> <p>Article 36. (Record Date of Dividend of Surplus)</p> <ol style="list-style-type: none"> 1. <u>The record date of the interim dividend of the Company shall be March 31 of each year.</u> 2. <u>In addition to the provisions of the preceding paragraph, the Company may determine a record date for a dividend of surplus.</u>

Proposal No. 3: Election of Eight (8) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this meeting.

Accordingly, following the introduction of a system under which authority is delegated to Executive Officers in order to improve efficiency, the Company proposes to reduce the number of Directors by four (4), and requests the election of eight (8) Directors, including three (3) Outside Directors.

The candidates for Director are as follows:

Candidate No.	Name	Attributes	Current position and responsibilities in the Company	Tenure
1	Kazuya Kato	[Reelection]	President and Representative Director	28 years
2	Toshinao Nakamura	[Reelection]	Managing Director Vice Chief of Sales Headquarters, Responsible for Wide-Area Distribution and operations in Chubu-Area	8 years
3	Keisuke Hibi	[Reelection]	Director Chief of Logistics Headquarters, Responsible for Logistics Business	7 years
4	Shigenori Tsuguie	[Reelection]	Director Chief of Administration Headquarters, Responsible for Group Administration, International Business, and General Manager of General Affairs Department	6 years
5	Takashi Onishi	[Reelection]	Director Division Manager of Chushikoku Division	2 years
6	Yusuke Yasokawa	[Reelection] [Outside] [Independent]	Outside Director	8 years
7	Ayako Kaiho	[Reelection] [Outside] [Independent]	Outside Director	5 years
8	Hidehiko Aoki	[Reelection] [Outside] [Independent]	Outside Director	2 years

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)
1	<p data-bbox="448 533 571 562">[Reelection]</p> <p data-bbox="427 589 592 645">Kazuya Kato (July 10, 1969)</p> <p data-bbox="341 707 678 790">(Number of the Company's shares owned) 53,388</p>	<p data-bbox="694 259 799 282">Mar. 1994</p> <p data-bbox="874 259 1070 282">Joined the Company</p> <p data-bbox="694 297 799 320">Dec. 1995</p> <p data-bbox="874 297 1353 353">Director, General Manager of Presidential Affairs Office</p> <p data-bbox="694 360 799 383">Oct. 1996</p> <p data-bbox="874 360 1283 416">Director, General Manager of Distribution Department</p> <p data-bbox="694 423 799 445">Dec. 1997</p> <p data-bbox="874 423 1394 479">Director, Responsible for Logistics, General Manager of Sales Planning Department</p> <p data-bbox="694 486 799 508">Apr. 1999</p> <p data-bbox="874 486 1394 542">Director, Responsible for Logistics, Assistant of Sales Division</p> <p data-bbox="694 548 799 571">Dec. 1999</p> <p data-bbox="874 548 1321 604">Managing Director, Responsible for Logistics, Assistant of Sales Division</p> <p data-bbox="694 611 799 633">Mar. 2000</p> <p data-bbox="874 611 1378 667">Managing Director, Chief of Systems Headquarters, Assistant Chief of Sales Headquarters</p> <p data-bbox="694 674 799 696">Dec. 2001</p> <p data-bbox="874 674 1369 757">Senior Managing Director, Chief of Administration Headquarters, Systems Headquarters and Related Operations Headquarters</p> <p data-bbox="694 763 799 786">Dec. 2003</p> <p data-bbox="874 763 1241 786">President and Representative Director</p> <p data-bbox="694 792 799 815">Dec. 2012</p> <p data-bbox="874 792 1337 848">President and Representative Director, Chief of Systems Headquarters</p> <p data-bbox="694 855 799 878">Dec. 2016</p> <p data-bbox="874 855 1369 911">President and Representative Director, Responsible for Information Systems</p> <p data-bbox="694 918 799 940">Dec. 2019</p> <p data-bbox="874 918 1326 974">President and Representative Director (present position)</p> <p data-bbox="694 987 1230 1010">(Significant concurrent positions outside the Company)</p> <p data-bbox="694 1016 751 1039">None</p>
<p data-bbox="194 1070 703 1093">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="194 1099 1385 1232">Kazuya Kato has extensive contacts in the food distribution industry and abundant experience as a corporate manager, with both outstanding personality and insight. Serving as the President and Representative Director of the Company since December 2003, he has been leading the Group-wide management and contributing to improving the Company's corporate value. Accordingly, the Company has judged that Kazuya Kato is well-qualified to contribute to the continuous improvement of the Company's corporate value, and has nominated him as a candidate to continue serving as Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)
2	<p data-bbox="448 696 571 723">[Reelection]</p> <p data-bbox="400 752 619 808">Toshinao Nakamura (September 7, 1967)</p> <p data-bbox="344 875 679 954">(Number of the Company's shares owned) 20,445</p>	<p data-bbox="699 259 799 286">Apr. 1991</p> <p data-bbox="874 259 1070 286">Joined the Company</p> <p data-bbox="699 297 799 324">Oct. 2008</p> <p data-bbox="874 297 1385 324">Branch Manager of Nagoya Branch, Chubu Division</p> <p data-bbox="699 336 799 362">Apr. 2011</p> <p data-bbox="874 336 1305 392">General Manager of Wide-Area Distribution Department</p> <p data-bbox="699 403 799 430">Dec. 2013</p> <p data-bbox="874 403 1369 459">Executive Officer, General Manager of Wide-Area Distribution Department</p> <p data-bbox="699 470 799 497">Dec. 2014</p> <p data-bbox="874 470 1385 526">Executive Officer, General Manager of Wide-Area Distribution Department and Private Label Division</p> <p data-bbox="699 537 799 564">Dec. 2015</p> <p data-bbox="874 537 1337 616">Director, Assistant Chief of Sales Headquarters, General Manager of Wide-Area Distribution Department and Private Label Division</p> <p data-bbox="699 627 799 654">Aug. 2017</p> <p data-bbox="874 627 1353 705">Director, Assistant Chief of Sales Headquarters, Responsible for Wide-Area Distribution, General Manager of Private Label Division</p> <p data-bbox="699 716 799 743">Dec. 2018</p> <p data-bbox="874 716 1393 840">Managing Director, Assistant Chief of Sales Headquarters, Responsible for Wide-Area Distribution, General Manager of Private Label Division, Responsible for Private Label Business and International Business</p> <p data-bbox="699 851 799 878">Apr. 2019</p> <p data-bbox="874 851 1305 974">Managing Director, Assistant Chief of Sales Headquarters, Responsible for Wide-Area Distribution, Private Label Business, and International Business</p> <p data-bbox="699 985 799 1012">Dec. 2019</p> <p data-bbox="874 985 1281 1086">Managing Director, Vice Chief of Sales Headquarters, Responsible for Wide-Area Distribution, Private Label Business, and International Business</p> <p data-bbox="699 1097 799 1124">Dec. 2021</p> <p data-bbox="874 1097 1385 1198">Managing Director, Vice Chief of Sales Headquarters, Responsible for Wide-Area Distribution, Private Label Business, and operations in Chubu-Area</p> <p data-bbox="699 1209 799 1236">Dec. 2022</p> <p data-bbox="874 1209 1377 1332">Managing Director, Vice Chief of Sales Headquarters, Responsible for Wide-Area Distribution and operations in Chubu-Area (present position)</p> <p data-bbox="699 1344 1233 1370">(Significant concurrent positions outside the Company)</p> <p data-bbox="699 1382 754 1408">None</p>
<p data-bbox="196 1400 707 1426">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="196 1438 1393 1541">Toshinao Nakamura has abundant business experience and insight in the sales area. He has been contributing to reinforcing private label products and securing stable income. Accordingly, the Company has judged that Toshinao Nakamura is well-qualified to contribute to the continuous improvement of the Company's corporate value, and has nominated him as a candidate to continue serving as Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	
3	[Reelection] Keisuke Hibi (December 28, 1965) (Number of the Company's shares owned) 6,500	Apr. 1989	Joined the Company
		Oct. 2010	General Manager of Logistics Department
		Dec. 2014	Executive Officer, Vice Chief of Systems Headquarters, General Manager of Logistics Department
		Dec. 2016	Director, Chief of Logistics Headquarters, General Manager of Logistics Department
		Dec. 2018	Director, Chief of Logistics Headquarters, General Manager of Logistics Department, Responsible for Logistics Business
		Jan. 2019	Director, Chief of Logistics Headquarters, Responsible for Logistics Business (present position)
			(Significant concurrent positions outside the Company) Representative Director, Kato Logistics Co., Ltd.
[Reasons for nomination as a candidate for Director]			
Keisuke Hibi has abundant experience and insight in the logistics departments and presently leads the Company in the area of logistics as Director, the Chief of the Logistics Headquarters, and a person responsible for the Logistics Business. Accordingly, the Company has judged that Keisuke Hibi is well-qualified to contribute to the continuous improvement of the Company's corporate value, and has nominated him as a candidate to continue serving as Director.			
4	[Reelection] Shigenori Tsuguie (September 24, 1972) (Number of the Company's shares owned) 183,181	Apr. 1995	Joined the Company
		Apr. 2012	Assigned to General Manager of General Affairs Department (temporarily transferred to K-Teion Foods Co., Ltd.)
		Dec. 2015	General Manager of General Affairs Department and Environmental Management Department
		Dec. 2016	Executive Officer, General Manager of General Affairs Department and Environmental Management Department
		Dec. 2017	Director, Vice Chief of Administration Headquarters, General Manager of General Affairs Department and Environmental Management Department
		Apr. 2018	Director, Vice Chief of Administration Headquarters, General Manager of General Affairs Department
		Dec. 2018	Director, Chief of Administration Headquarters, Responsible for Group Administration
		Dec. 2021	Director, Chief of Administration Headquarters, Responsible for Group Administration, International Business
		Oct. 2022	Director, Chief of Administration Headquarters, Responsible for Group Administration, International Business, and General Manager of General Affairs Department (present position)
			(Significant concurrent positions outside the Company) President and Representative Director, Kato SC Asia Investment Co., Ltd.
[Reasons for nomination as a candidate for Director]			
Shigenori Tsuguie has been mainly engaged in business in the administration departments and has abundant experience and insight. He also leads the Company in areas of corporate governance and business management through institutional reforms. Accordingly, the Company has judged that Shigenori Tsuguie is well-qualified to contribute to the continuous improvement of the Company's corporate value, and has nominated him as a candidate to continue serving as Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	
5	<p>[Reelection]</p> <p>Takashi Onishi (October 13, 1967)</p> <p>(Number of the Company's shares owned) 4,100</p>	<p>May 1992 Joined the Company</p> <p>Feb. 2015 Branch Manager of Matsuyama Branch, Chushikoku Division</p> <p>Apr. 2019 Division Manager of Chushikoku Division</p> <p>Dec. 2019 Executive Officer, Division Manager of Chushikoku Division</p> <p>Dec. 2021 Director, Division Manager of Chushikoku Division</p> <p>May 2022 Director, Division Manager of Chushikoku Division, Branch Manager of Hiroshima Branch</p> <p>Oct. 2022 Director, Division Manager of Chushikoku Division (present position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>None</p>	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Takashi Onishi has been mainly engaged in sales-related business and has developed broad range of customer relationship. He has also been contributing to reinforcing sales capabilities and securing stable income. Accordingly, the Company has judged that Takashi Onishi is well-qualified to contribute to the continuous improvement of the Company's corporate value, and has nominated him as a candidate to continue serving as Director.</p>			
6	<p>[Reelection]</p> <p>[Outside Officer]</p> <p>[Independent Officer]</p> <p>Yusuke Yasokawa (October 22, 1965)</p> <p>(Number of the Company's shares owned) -</p>	<p>Apr. 1989 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>Jan. 1999 Joined The Boston Consulting Group</p> <p>May 2013 Joined P&E Directions, Inc. Director</p> <p>Aug. 2015 Founded Y-Knot Inc. Representative Director (present position)</p> <p>Dec. 2015 Outside Director, the Company (present position)</p> <p>Sept. 2018 Outside Director, unerry, Inc. (present position)</p> <p>Feb. 2019 CEO, MYCARE Hawaii Inc. (present position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director, Y-Knot Inc. CEO, MYCARE Hawaii Inc.</p>	
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Yusuke Yasokawa has abundant and significant experience in company management including the development and implementation support of growth strategies and medium-term business plans, development of financial strategies and capitalization policies, and group company management in various firms such as consulting firms. For the aforementioned reasons, the Company has nominated him as a candidate to continue serving as Outside Director to have him offer objective advice on management in general from a broad perspective, unconstrained by the industry to which the Company belongs, and contribute to sustainable growth of the Company and improvement of corporate governance.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	
7	<p>[Reelection] [Outside Officer] [Independent Officer]</p> <p>Ayako Kaiho (January 29, 1962)</p> <p>(Number of the Company's shares owned) -</p>	<p>Sept. 2000</p> <p>Sept. 2006</p> <p>May 2010</p> <p>June 2015</p> <p>Oct. 2017</p> <p>Dec. 2018</p> <p>July 2020</p>	<p>Joined Fidelity Securities K.K. Director, Online Trade & New Business Development</p> <p>Joined Hitachi Consulting Co., Ltd. Senior Director, Financial Service</p> <p>Joined IBM Japan, Ltd. Partner, Global Business Services</p> <p>Joined EY Advisory & Consulting Co., Ltd. Director, Life Science</p> <p>Founded Office Kaiho Representative Director (present position)</p> <p>Outside Director, the Company (present position)</p> <p>Senior Director, Service Delivery, Suvoda Software G.K.</p> <p>(Significant concurrent positions outside the Company) Representative Director, Office Kaiho</p>
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Ayako Kaiho has experience in important business execution including promoting new businesses and executing global businesses in the financial and consulting industries, etc. In regard to the Company's future growth strategies, the Company has judged that she will contribute to sustainable growth of the Company and improvement of corporate governance from an objective, neutral, and professional standpoint concerning general management, facilitated by her broad perspective, unconstrained by the industry to which the Company belongs and, therefore, has nominated her as a candidate to continue serving as Outside Director.</p>			
8	<p>[Reelection] [Outside Officer] [Independent Officer]</p> <p>Hidehiko Aoki (March 5, 1967)</p> <p>(Number of the Company's shares owned) -</p>	<p>Apr. 1989</p> <p>Jan. 1997</p> <p>July 2000</p> <p>July 2005</p> <p>Sept. 2017</p> <p>Sept. 2020</p> <p>Dec. 2021</p> <p>June 2023</p>	<p>Joined Nomura Research Institute, Ltd. Investment Research Department</p> <p>Assigned to Research Department of Nomura Securities International, USA</p> <p>Joined Goldman Sachs Japan Co., Ltd. Vice President, Tokyo Branch, Research Department, Retail Sector</p> <p>Joined Merrill Lynch Japan Securities Co., Ltd. Managing Director, Research Department, Retail Sector Team Head</p> <p>Joined Nomura Securities Co., Ltd. Managing Director, Equity Research Department, Consumer Team Head</p> <p>Professor, Tokyo University of Science Graduate School of Business, Management of Technology (present position)</p> <p>Outside Director, the Company (present position)</p> <p>Outside Director, World Co., Ltd. (present position)</p> <p>(Significant concurrent positions outside the Company) Professor, Tokyo University of Science Graduate School of Business, Management of Technology Outside Director, World Co., Ltd.</p>
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Hidehiko Aoki has extensive experience as a securities analyst covering retail and distribution industries in Japan and overseas. The Company has judged that he will contribute to sustainable growth of the Company and improvement of corporate governance from an objective, neutral and professional standpoint concerning general management, facilitated by his broad perspective of the industry to which the Company belongs and his work experience in capital markets, and, therefore, has nominated him as a candidate to continue serving as Outside Director.</p>			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Yusuke Yasokawa, Ayako Kaiho and Hidehiko Aoki are candidates for Outside Director.
 3. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and Article 26 of the Company's Articles of Incorporation, the Company has entered into an agreement with the candidates for Outside Director Yusuke Yasokawa, Ayako Kaiho and Hidehiko Aoki to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under the said agreement is the minimum liability amount provided for under laws and regulations, and if Yusuke Yasokawa, Ayako Kaiho and Hidehiko Aoki are reelected, the Company will continue the said agreement.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. In the event that an insured, including a Director or Audit & Supervisory Board Member of the Company, receives a claim for damages from the execution of their duties, the insurance policy will cover the amount of damages and litigation expenses (except for those that fall under the exemption clauses stipulated in the insurance policy). If each candidate is elected and assumes the office as Director, they will become an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.
 5. Yusuke Yasokawa, Ayako Kaiho and Hidehiko Aoki satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning their appointment as independent officers.

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

In order to strengthen and enhance the audit system, we propose to increase the number of Audit & Supervisory Board Members by one (1).

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions outside the Company)
<p>[New election]</p> <p>Masahito Ikemura (July 23, 1964)</p> <p>(Number of the Company's shares owned) -</p>	<p>Apr. 2020 Joined the Company</p> <p>Apr. 2022 General Manager of Audit Office (present position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>None</p>
<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Masahito Ikemura has been involved in audit operations for many years, and in addition to deep insights into and wide-ranging knowledge of internal controls, he also has experience of internal audits as the General Manager of the Audit Office of the Company. Accordingly, the Company has judged that he will be able to utilize this knowledge and experience to appropriately carry out the duties of an Audit & Supervisory Board Member, and has nominated him as a candidate for Audit & Supervisory Board Member.</p>	

- Notes:
1. There is no special interest between the candidate and the Company.
 2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. In the event that an insured, including a Director or Audit & Supervisory Board Member of the Company, receives a claim for damages from the execution of their duties, the insurance policy will cover the amount of damages and litigation expenses (except for those that fall under the exemption clauses stipulated in the insurance policy). If the candidate is elected and assumes the office as Audit & Supervisory Board Member, he will become an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

[Reference] Skill matrix for Directors and Audit & Supervisory Board Members (including candidates)

■ Committee member

Name		Corporate management	Sales and Marketing	SCM	IT and DX	Finance and Accounting	Compliance and Risk management	Personnel and labor and Human resources development	ESG and Sustainability	Governance Committee	CSR and ERM Committee	Compliance Committee	Internal Control Committee	Risk Management Committee	Sustainability Committee
Directors		●	●	●	●	●	●	●	●	■	■				■
		●	●	●			●	●	●		■			■	■
		●		●	●		●	●	●					■	■
		●			●	●	●	●	●	■	■	■	■	■	■
		●	●	●			●						■		
	●	●	●			●	●			■					
	●	●			●	●	●		●	■					
	●	●	●			●	●			■					
Audit & Supervisory Board Members						●	●			■					
	◆					●	●								
	●	●				●	●			■					
	●					●	●			■					

- Notes:
1. The table above presents the main areas of expertise and knowledge expected of each candidate.
 2. The structure of each committee is as of September 30, 2023.
 3. The President is the chairperson of the CSR and ERM Committee and the Sustainability Committee, the Chief of Sales Headquarters is the chairperson of the Risk Management Committee, and the Chief of Administration Headquarters is the chairperson of the Governance Committee, Compliance Committee, and the Internal Control Committee.

Proposal No. 5: Payment of Retirement Benefits to Retiring Directors and Final Payments to Directors of Retirement Benefits Arising from the Abolition of Retirement Benefit Plan

In order to reward Kenichi Yamanaka, Takashi Ota, Kimihiro Suga, and Masatoshi Uchita, who will retire as Director at the conclusion of this meeting, for their services during their terms up to the conclusion of the meeting, we would like to pay each a reasonable amount of retirement benefits in accordance with the Company's internal rules.

It is also proposed that such matters as the actual amounts, the timing and method be determined by the Board of Directors.

The career summary of the retiring Directors is as follows:

Name	Career summary	
Kenichi Yamanaka	Dec. 2012	Director
	Dec. 2016	Managing Director
	Dec. 2018	Senior Managing Director (present position)
Takashi Ota	Dec. 2013	Director
	Dec. 2018	Managing Director (present position)
Kimihiro Suga	Dec. 2016	Director
	Dec. 2019	Managing Director (present position)
Masatoshi Uchita	Dec. 2017	Director (present position)

At a meeting of the Board of Directors held on November 10, 2023, it was resolved that, as part of revisions to the remuneration system for officers, the Company would abolish the Retirement Benefit Plan for Directors as of the conclusion of this meeting.

Consequentially, and conditional upon the approval and adoption of Proposal No. 3, "Election of Eight (8) Directors," the Company proposes to make a final payment of retirement benefits up to a reasonable amount, in accordance with the Company's internal rules, to each of the five Directors other than Outside Directors who are expected to be reappointed, to reward them for their service from the time of their appointment to the conclusion of this meeting.

It is also proposed that the timing of payment be at the time of their retirement as Directors and such matters as the actual amounts and method be determined by the Board of Directors.

The career summaries of the Directors eligible for final payments are as follows:

Name	Career summary	
Kazuya Kato	Dec. 1995	Director
	Dec. 1999	Managing Director
	Dec. 2001	Senior Managing Director
	Dec. 2003	President and Representative Director (present position)
Toshinao Nakamura	Dec. 2015	Director
	Dec. 2018	Managing Director (present position)
Keisuke Hibi	Dec. 2016	Director (present position)
Shigenori Tsuguie	Dec. 2017	Director (present position)
Takashi Onishi	Dec. 2021	Director (present position)

This proposal is considered reasonable, given that it complies with the Company's policy on determining the details of remuneration, etc. for individual Directors and with internal regulations previously established by the Board of Directors, and was deliberated by the Governance Committee before being decided by the Board of Directors.

Details of the Company's policy on determining the details of remuneration, etc. for individual Directors are presented on pages 16-17 (in Japanese only).

Furthermore, this policy is scheduled to be amended after the abolition of the Retirement Benefit Plan.

Proposal No. 6: Introduction of Restricted Stock Remuneration Plan for Directors Other Than Outside Directors

At the Annual General Meeting of Shareholders held on December 16, 1988, the Company received approval to set an upper limit to Directors' remuneration of ¥350 million annually. However, with the objective of promoting the closer sharing of value between Directors and shareholders as well as giving Directors a further incentive to achieve sustainable increases in the corporate value of the Company, we request approval for the introduction of a remuneration plan involving the granting of restricted stock to Directors other than Outside Directors of the Company ("Eligible Directors"), within the current Directors' remuneration framework.

Based on this proposal, we intend that, in accordance with a resolution of the Board of Directors, Eligible Directors shall receive the issuance or disposal of common shares of the Company, with the total number of common shares of the Company issued or disposed of in this way to not exceed 8,000 shares annually. However, in the event that the Company undertakes a share split (including a gratis allotment of common shares of the Company) or a share consolidation of its common shares, or in any other circumstances in which an adjustment is required to the total number of common shares of the Company for issuance or disposal as restricted stock, the total number shall be adjusted to a reasonable extent. The specific details of the distribution to each Eligible Director shall be decided by the Board of Directors.

Moreover, although there are currently nine Eligible Directors of the Company, if Proposal No. 3 is approved and adopted, the number of Eligible Directors will be five.

In addition, the total amount of common shares of the Company issued or disposed of for the granting of restricted stock shall be no more than ¥30 million annually. (When granting restricted stock, the Company shall cancel treasury shares for the issuance or disposal of common stock, and so payments of funds in exchange for shares with subscription will not be required. However, the calculation of the remuneration amount for Eligible Directors shall be based on the closing price per common share of the Company on the Tokyo Stock Exchange on the business day before the date on which the Board of Directors passed the resolution (in cases where no transactions took place on that day, the closing price on the most recent day on which the stock was traded.)) Furthermore, for the issuance or disposal of the common shares of the Company, the Company shall enter into a restricted stock allotment agreement ("the Allotment Agreement") with Eligible Directors that contains the elements as outlined below:

- (1) For a period from the date on which restricted stock is granted to the date on which they lose their position as Director of the Company or any other position determined by the Board of Directors of the Company (the "Transfer Restriction Period"), Eligible Directors shall be prohibited from transferring, pledging as collateral, or otherwise disposing of the common shares of the Company allotted ("Allotted Stock") in accordance with the Allotment Agreement ("Transfer Restrictions").
- (2) In the event of Eligible Directors losing any position set out in (1) above before the expiration of a term separately determined by the Board of Directors of the Company (the "Term of Service"), the Company shall acquire the Allotted Stock as a matter of course and without consideration, except in cases where there is a reason deemed legitimate by the Board of Directors of the Company.
- (3) On condition that Eligible Directors maintain their position as a Director of the Company or maintain some other position determined by the Board of Directors of the Company throughout the Term of Service without interruption, the Company shall lift the Transfer Restrictions on the Allotted Stock in its entirety at the point at which the Transfer Restriction Period expires. However, in the event that Eligible Directors lose any position set out in (1) above before the expiration of the Term of Service for a reason deemed to be legitimate by the Board of Directors of the Company as set out in (2) above, reasonable adjustments shall be made to the number of shares of Allotted Stock on which the Transfer Restrictions are to be lifted and the timing of the lifting of the Transfer Restrictions, as necessary.
- (4) The Company shall automatically acquire without consideration the Allotted Stock on which the Transfer Restrictions have not been lifted at the expiration of the Transfer Restriction Period in accordance with the provisions of (3) above.
- (5) In the event of approval being granted during the Transfer Restriction Period at the general meeting of shareholders of the Company for matters related to a merger agreement in which the Company will be the absorbed company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, share transfer plans, or other matters related to organizational restructuring, etc., the Company shall lift the Transfer Restrictions on a reasonably determined number of shares of the Allotted Stock

prior to the effective date of said organizational restructuring, etc. by a resolution of the Board of Directors of the Company. (However, in cases where said organizational restructuring, etc. does not require the approval of the general meeting of shareholders of the Company, said approval shall be given by the Board of Directors of the Company.)

- (6) In the circumstances provided for in (5) above, the Company shall acquire as a matter of course and without consideration the Allotted Stock on which the Transfer Restrictions have not been lifted immediately after the Transfer Restrictions are lifted in accordance with the provisions of (5) above.
- (7) The method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

At a meeting of the Board of Directors held on February 27, 2021, the Company established its policy on determining the details of remuneration, etc. for individual Directors, an outline of which is presented on pages 16-17 of the Business Report (in Japanese only), but if approval is received for this proposal, the details of this policy will be changed to match this proposal. Additionally, as outlined above, because the amounts to be paid in for the Allotted Stock will be within a range not considered especially beneficial to any Eligible Director, and because the dilution rate is also negligible, the granting of the Allotted Stock has been deemed appropriate.