

Translation

Notes: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Securities Code: 9843

June 9, 2025

(Date of commencement of electric provision measures: May 28, 2025)

To our shareholders:

Toshiyuki Shirai,
Representative Director & President
Nitori Holdings Co., Ltd.
1-2-39 Shinkotoni 7-jo, Kita-ku,
Sapporo-shi, Hokkaido

Notice of the 53rd Annual General Meeting of Shareholders

Please be informed that the 53rd Annual General Meeting of Shareholders of Nitori Holdings Co., Ltd. (“the Company”) will be held as indicated below.

1.Date and Time: Thursday, June 26, 2025, at 10.00 a.m. (JST)

2.Venue: Conference Room, 6th floor, Sapporo Head Office of the Company
1-2-39 Shinkotoni 7-jo, Kita-ku, Sapporo-shi, Hokkaido

3.Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 53rd fiscal year (from April 1, 2024 to March 31, 2025), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
2. The Non-consolidated Financial Statements for the 53rd fiscal year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

Proposal No. 1
Election of Six (6) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Proposal No. 2
Election of One (1) Director who are Audit & Supervisory Committee Members

Instead of attending the Meeting in person, you may exercise your voting rights in writing, via the internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Wednesday, June 25, 2025 (JST).

- In the event that a shareholder provides no indication of approval or disapproval with regard to the proposals in writing, the shareholder shall be considered to have expressed approval, which shall be handled accordingly.
- In the event that a vote is exercised in duplicate via both the writing and the internet, the vote cast via the internet shall be effective.
- In the event that more than one vote is exercised via the internet, the latest vote shall be effective.
- The original Japanese version of the paper copy to be delivered to shareholders who made a request for delivery of documents does not include the “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” pursuant to the provisions of laws and regulations and the Article 16, paragraph 2 of the Company’s Articles of Incorporation. Accordingly, the said paper copy constitutes only part of the documents audited by the Audit & Supervisory Committee and the Financial Auditor in preparing audit reports.
- If any corrections are made to the matters subject to electronic provision measures, the original and revised versions of those matters will be posted (in Japanese only) on each website where the documents are posted.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Election of Six (6) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this General Meeting. Additionally, Director Fumihiro Sudo retired by resignation as of January 31, 2025, and Director Takaaki Okano retired by resignation as of March 31, 2025. Therefore, the Company proposes the election of six (6) Directors. Regarding this proposal, the Audit & Supervisory Committee has judged that all the candidates for Directors are qualified for the role.

The candidates for Directors are as follows:

| Candidate No. | Name | | Current positions and responsibilities in the Company | Attendance at meetings of the Board of Directors |
|---------------|---|---------------------------|--|--|
| 1 | [Reappointment] | Akio Nitori | Representative Director & Chairperson | 13 out of 13 meetings (100%) |
| 2 | [Reappointment] | Toshiyuki Shirai | Representative Director & President | 13 out of 13 meetings (100%) |
| 3 | [Reappointment] | Masanori Takeda | Director, Executive Officer & Vice President General Manager of Global Sales Promotion Office In charge of Overseas Business | 13 out of 13 meetings (100%) |
| 4 | [Reappointment] | Hiromi Abiko | Director General Manager of HR Education Division | 12 out of 13 meetings (92.3%) |
| 5 | [Reappointment] [Outside] [Independent] | Yoshihiko Miyauchi | Director | 12 out of 13 meetings (92.3%) |
| 6 | [Reappointment] [Outside] [Independent] | Naoko Yoshizawa | Director | 13 out of 13 meetings (100%) |

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|-----------------|---------------------------------------|--|--|
| 1 | [Reappointment] | Akio Nitōri (March 5, 1944) | 3,410,482 shares | 13 out of 13 meetings (100%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|---|
| Mar. 1972 | Founded the Company, Senior Managing Director |
| May 1978 | Representative Director & President of the Company |
| May 2010 | Chairperson of DECOHOME CHINA Co., Ltd. |
| May 2014 | Representative Director & Chairperson of Nitōri Facility Co., Ltd. |
| Feb. 2016 | Representative Director & Chairperson (CEO) of the Company (current position) |
| Jun. 2016 | Chairperson of NITORI (CHINA) HOLDING Co., Ltd. |
| May 2017 | Director & Senior Advisor of Home Logistics Co., Ltd. (current position) |
| Apr. 2018 | Director & Senior Advisor of HOME DECO CO., LTD. (current position) |
| Feb. 2020 | Representative Director & Chairperson of N Plus Co., Ltd. (current position) |
| Mar. 2020 | Representative Director & Chairperson of Nitōri Public Co., Ltd. (current position) |
| Sep. 2023 | Director & Senior Advisor of Nitōri Digital Base Co., Ltd. (current position) |
| Dec. 2023 | Representative Director, Chairperson & President of Nitōri Furniture Co., Ltd. (current position) |
| Jan. 2024 | Chairperson of Nitōri Furniture Vietnam EPE (current position) |
| Feb. 2024 | Representative Director, Chairperson & President of Nitōri Co., Ltd. (current position) |
| Apr. 2025 | Chairperson of SIAM NITORI CO., LTD. (current position) |
| May 2025 | Representative Director & Chairperson of SHIMACHU CO., LTD. (current position) |

Reasons for nomination as candidate for Director:

The candidate, in pursuit of realizing the Company's Roman (vision) and while always making the most of his excellent foresight and strong leadership, has led Nitōri to grow from being one furniture store to one of Japan's top home furnishing chains. The Company proposes the election of the candidate for Director, considered him to be qualified to continue as a Director that takes responsibility of decision making related to management policies and corporate strategy and supervisory functions regarding business execution.

Special interest between the candidate and the Company:

There is no special interest between Akio Nitōri and the Company

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|-----------------|--|--|--|
| 2 | [Reappointment] | Toshiyuki Shirai (December 21, 1955) | 42,330 shares | 13 out of 13 meetings (100%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|--|
| Apr. 1979 | Joined the Company |
| May 2001 | Director of the Company |
| May 2004 | Managing Director of the Company |
| May 2008 | Senior Managing Director of the Company |
| May 2010 | Director & Senior Managing Executive Officer of the Company |
| May 2014 | Representative Director & Executive Vice President of the Company Representative Director & President of Nitori Co., Ltd. Representative Director & President of Nitori Facility Co., Ltd. |
| Feb. 2016 | Representative Director & President of the Company (current position) |
| Mar. 2017 | Representative Director & Chairperson of Nitori Public Co., Ltd. Chairperson of NITORI (CHINA) HOLDING Co., Ltd. Representative Director & Chairperson of HOME DECO CO., LTD. |
| Apr. 2017 | Chairperson of Nitori Taicang Trading & Logistics Co. Ltd. |
| Jun. 2017 | Director of KATITAS Co., Ltd. (current position) |
| Dec. 2018 | Director of N Plus Co., Ltd. (current position) |
| Mar. 2019 | Director of Nitori Furniture Co., Ltd. (current position) |
| Feb. 2020 | Director of Nitori Co., Ltd. (current position) Chairperson of SIAM NITORI CO., LTD. |
| Mar. 2020 | Director of Nitori Public Co., Ltd. (current position) |
| Jun. 2023 | Director of SHIMACHU CO., LTD. (current position) |
| Aug. 2023 | Representative Director & Chairperson of Home Logistics Co., Ltd. (current position) |
| Aug. 2024 | Representative Director & Chairperson of Nitori Digital Base Co., Ltd. (current position) |

Reasons for nomination as candidate for Director:

The candidate has had a broad range of business experience such as being involved in store operations, personnel, product development, logistics, and overseas business, and has abundant experience and knowledge related to overall management of the Group gained from serving positions such as Representative Director & President of Nitori Co., Ltd. from May 2014 to February 2020, and Representative Director & President of the Company from February 2016. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Toshiyuki Shirai and the Company.

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|-----------------|--|--------------------------------------|--|
| 3 | [Reappointment] | Masanori Takeda (January 10, 1966) | 10,698 shares | 13 out of 13 meetings (100%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|---|
| Mar. 2004 | Joined the Company |
| May 2014 | Executive Officer of the Company |
| May 2016 | Senior Executive Officer of the Company |
| May 2017 | Managing Director of the Company |
| Oct. 2018 | General Manager of Global Merchandising Division of the Company |
| Dec. 2018 | Representative Director & President of N Plus Co., Ltd. |
| Apr. 2019 | In charge of Global Product Development, Inventory Control, Procurement Division and Deco Home Business of the Company |
| Feb. 2020 | Director of the Company Representative Director & President of Nitori Co., Ltd. |
| Jul. 2020 | General Manager of Global Merchandising Division General Manager of Global Sales Promotion Office of the Company (current position) In charge of Overseas Sales Business Representative Director & Chairperson of HOME DECO CO., LTD. Chairperson of NITORI (CHINA) HOLDING Co., Ltd. (current position) Chairperson of Nitori Taicang Trading & Logistics Co. Ltd. (current position) Chairperson of SIAM NITORI CO., LTD. |
| Mar. 2023 | Chairperson of NITORI HONG KONG CO., LTD. (current position) Chairperson of NITORI KOREA CO., LTD. (current position) |
| Feb. 2024 | Director, Executive Officer & Vice President of the Company (current position) In charge of Overseas Business (current position) Director of Nitori Co., Ltd. (current position) |
| Jun. 2024 | Director of Nitori India Private Limited (current position) |

Reasons for nomination as candidate for Director:

The candidate has abundant business experience and knowledge owing to his broad experience in major operations of the Store Operations Division, Recruitment Division, and Merchandising Division, etc. and contributes to the promotion of product development and the expansion of overseas product procurement and sales channels. In addition, he assumed the position of Director, Executive Officer & Vice President of the Company since February 2024 and continues to be responsible for the Company's overseas business. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Masanori Takeda and the Company.

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|-----------------|--|--|--|
| 4 | [Reappointment] | Hiromi Abiko (February 13, 1961) | 5,365 shares | 12 out of 13 meetings (92.3%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|--|
| Nov. 1984 | Joined the Company |
| May 2007 | Seasonal Buyer Manager of Merchandising Division of the Company |
| Jul. 2015 | Executive Officer of the Company |
| May 2017 | Senior Executive Officer of the Company |
| Nov. 2018 | In charge of Global Coordinated Merchandise Planning, Global Merchandising Division of the Company Acting General Manager and Manager of Coordinated Merchandise Planning Section, Merchandising Division of Nitori Co., Ltd. |
| Feb. 2019 | In charge of Coordinated Merchandise Planning, Global Merchandising Division of the Company |
| May 2020 | Managing Executive Officer of the Company |
| Mar. 2021 | General Manager of HR Education Division of the Company (current position) |
| May 2021 | Director of the Company (current position) |

Reasons for nomination as candidate for Director:

The candidate has abundant business experience and knowledge gained from her extensive work experience in the planning, development and coordination of products. Furthermore, the candidate is currently responsible for establishing and promoting an education system and fostering corporate culture, aimed at achieving the medium-to long-term management plan of the Company. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Hiromi Abiko and the Company.

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|---|---|--|--|
| 5 | [Reappointment] [Outside] [Independent] | Yoshihiko Miyauchi (September 13, 1935) | 651 shares | 12 out of 13 meetings (92.3%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|---|
| Aug. 1960 | Joined Nichimen & Co., Ltd. (currently Sojitz Corporation) |
| Apr. 1964 | Joined Orient Leasing Co., Ltd. (currently ORIX Corporation) |
| Mar. 1970 | Director of Orient Leasing Co., Ltd. |
| Dec. 1980 | Representative Executive Officer, President and Chief Executive Officer of Orient Leasing Co., Ltd., Group CEO |
| Apr. 2000 | Representative Executive Officer, Chairman and Chief Executive Officer of ORIX Corporation, Group CEO |
| Jun. 2003 | Director, Representative Executive Officer, Chairman and Chief Executive Officer of ORIX Corporation, Group CEO |
| Apr. 2006 | Outside Director of ACCESS CO., LTD. (current position) |
| Jun. 2014 | Senior Chairman of ORIX Corporation (current position) |
| Jun. 2017 | Outside Director of Calbee, Inc. (current position) |
| Oct. 2019 | Outside Director of RAKSUL INC. (current position) |
| May 2020 | Outside Director of the Company (current position) |

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience and deep insight in corporate management gained from his extensive years of engaging in management of ORIX Corporation. He has been actively expressing his opinions from a broader perspective on our medium- to long-term plan, management strategies, and other matters, at meetings of the Board of Directors of the Company and thereby playing his proper role as an Outside Director.

For these reasons, the Company proposes the election of the candidate for Outside Director, considered that he will continue to fulfill his duties as an Outside Director appropriately.

Tenure as Outside Director: 5 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Yoshihiko Miyauchi and the Company.

| Candidate No | | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors |
|--------------|---|--|--------------------------------------|--|
| 6 | [Reappointment] [Outside] [Independent] | Naoko Yoshizawa (May 29, 1964) | — | 13 out of 13 meetings (100%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|---|
| Aug. 1988 | Joined Fujitsu Limited |
| Sept. 2009 | Vice President of Mobile Phones Unit of Fujitsu Limited |
| Oct. 2011 | Head of Global Research & Development Center of Fujitsu Laboratories of America, Inc. |
| Apr. 2016 | Deputy Head of Advanced System Research & Development Unit and Head of AI Promotion Office of Fujitsu Limited |
| Apr. 2017 | Corporate Executive Officer and Head of AI Platform Business Unit of Fujitsu Limited |
| Apr. 2018 | Corporate Executive Officer, EVP and Vice Head of Digital Services Business of Fujitsu Limited |
| Sept. 2018 | Corporate Executive Officer, EVP of Fujitsu Limited, CEO of FUJITSU Intelligence Technology Ltd. |
| Nov. 2019 | Corporate Executive Officer, EVP and Evangelist of Digital Software & Solutions Business Group of Fujitsu Limited |
| May 2021 | Outside Director of the Company (current position) |
| Jun. 2021 | Outside Director of Yamaha Corporation (current position) |

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience and deep insight in corporate management gained from her years of holding key positions in a range of business fields at Fujitsu Limited, including driving the company's DX (digital transformation). She has been actively expressing her opinions from a professional insight on improving the Company's IT readiness for promoting DX, and other matters, at meetings of the Board of Directors of the Company and thereby playing her proper role as an Outside Director.

For these reasons, the Company proposes the election of the candidate for Outside Director, considered that she will continue to fulfill her duties as an Outside Director appropriately.

Tenure as Outside Director: 4 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Naoko Yoshizawa and the Company.

- Notes:
1. Yoshihiko Miyauchi and Naoko Yoshizawa are candidates for Outside Director and each of them meets the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 15 for the “Independence Criteria for Outside Directors.”
 2. The Company registered Yoshihiko Miyauchi and Naoko Yoshizawa as independent officers with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges. If their reelections are approved, the Company plans to continue their designation as independent officers.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshihiko Miyauchi and Naoko Yoshizawa to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If their reelections are approved, the Company plans to renew the limited liability agreements with them.
 4. The Company has concluded a Directors and Officers Liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that they were in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company. All candidates will be insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same terms and conditions in February 2026, and all candidates will continue to be insured under the said insurance contract if their reelections are approved.
 5. The “Number of the Company’s shares owned” by each candidate indicates the actual number of shares, including the shares held by the Officers’ Shareholding Association of the Company.

Proposal No.2: Election of One (1) Director who is Audit & Supervisory Committee Member

The terms of office of One (1) Director (Masahito Kanetaka), who is Audit & Supervisory Committee Member, will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of one (1) Director who is an Audit & Supervisory Committee Member. The Audit & Supervisory Committee has given its approval to this proposal.

The candidate for Director who is Audit & Supervisory Committee Member is as follows:

| | Name (Date of birth) | Number of the Company's shares owned | Attendance at meetings of the Board of Directors | Attendance at meetings of the Audit & Supervisory Committee |
|---|---|--|--|--|
| [Reappointment] [Outside] [Independent] | Masahito Kanetaka (June 29, 1954) | 32 shares | 13 out of 13 meetings (100%) | 13 out of 13 meetings (100%) |

| Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | |
|--|--|
| Apr. 1978 | Joined National Police Agency |
| Sep. 1998 | Chief of Toyama Prefectural Police Headquarters |
| Oct. 1999 | General Manager of Administration Department, Kanagawa Prefectural Police Headquarters |
| Sep. 2001 | Director of 2nd Investigation Division, Criminal Affairs Bureau, National Police Agency |
| Aug. 2003 | Director of Personnel Division, Commissioner-General's Secretariat, National Police Agency |
| Jan. 2006 | General Manager of Criminal Investigation Bureau, Metropolitan Police Department |
| Aug. 2007 | General Manager of Personal and Training Bureau, Metropolitan Police Department |
| Aug. 2008 | Senior Councilor of Commissioner-General's Secretariat, National Police Agency |
| Jun. 2009 | Commissioner of Criminal Affairs Bureau, National Police Agency |
| Oct. 2011 | Director-General of Commissioner-General's Secretariat, National Police Agency |
| Jan. 2013 | Deputy Commissioner-General, National Police Agency |
| Jan. 2015 | Commissioner-General, National Police Agency |
| Aug. 2016 | Retired from National Police Agency |
| Dec. 2016 | Chief Director, Japan Police Personnel Mutual Aid Association |
| Jun. 2023 | Outside Director of the Company (current position) |

Reasons for nomination as candidate for Director:

The candidate has abundant experience and deep insight gained from holding important positions including that of Commissioner-General of National Police Agency. On the Board of Directors of the company, leveraging this specialized experience and insight, he has actively provided opinions on matters such as risk management and internal controls. He has appropriately fulfilled his role as an Outside Director, including the supervision of business execution.

Although the candidate has never directly taken part in corporate management, the Company proposes the election of the candidate for Outside Director, considered that he will continue to fulfill his duties as an Outside Director appropriately serving as an Audit & Supervisory Committee Member.

Tenure as Outside Director: 2 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Masahito Kanetaka and the Company

- Notes:
1. Masahito Kanetaka is a candidate for Outside Director and he meets the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 15 for the “Independence Criteria for Outside Directors.”
 2. The Company registered Masahito Kanetaka as an independent officer with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges. If his reelection is approved, the Company plans to continue his designation as an independent officer.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Masahito Kanetaka to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If his reelection is approved, the Company plans to renew the limited liability agreements with him.
 4. The Company has concluded a Directors and Officers Liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that he was in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company. The candidate will be insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same terms and conditions in February 2026, and the candidate will continue to be insured under the said insurance contract if his reelection is approved.
 5. The “Number of the Company’s shares owned” by the candidate indicates the actual number of shares, including the shares held by the Officers’ Shareholding Association of the Company.

For reference (1)

Composition of officers after the proposals are approved (management structure from June 26, 2025)

Of the skills, etc. held by each Director, maximum of six main skills are marked with ●.

| Proposal | Candidate No. | Name | | Audit & Supervisory Committee | Knowledge and experience the Company expects of Directors | | | | |
|----------|---------------|--------------------|---|-------------------------------|---|-----------------------------|----------------------------|--------------------------------|------------------|
| | | | | | (1) Corporate Management | (2) Rejecting Status Quo | (3) Product Development | (4) Supply Chain Management | (5) IT and DX |
| No.1 | 1 | Akio Nitōri | [Reappointment] | | ● | ● | ● | ● | |
| | 2 | Toshiyuki Shirai | [Reappointment] | | ● | ● | | ● | ● |
| | 3 | Masanori Takeda | [Reappointment] | | ● | ● | ● | ● | |
| | 4 | Hiromi Abiko | [Reappointment] | | | ● | ● | | |
| | 5 | Yoshihiko Miyauchi | [Reappointment] [Independent] [Outside] | | ● | | | ● | |
| | 6 | Naoko Yoshizawa | [Reappointment] [Independent] [Outside] | | ● | | | | ● |
| — | — | Takao Kubo | | ○ | | ● | | ● | |
| | — | Yoshiyuki Izawa | [Independent] [Outside] | ○ | ● | | | | ● |
| | — | Hisayoshi Ando | [Independent] [Outside] | ○ | | | | | ● |
| No.2 | — | Masahito Kanetaka | [Reappointment] [Independent] [Outside] | ○ | | | | | |

[Summary of each skill]

| | |
|------------------------------|---|
| (1) Corporate Management: | Having experience in company management as a manager. |
| (2) Rejecting Status Quo: | Equipped with a mindset essential for our management team, which is to constantly reject the status quo and repeatedly observe, analyze, and judge in order to make improvements and reforms. |
| (3) Product Development: | Having the skills to develop attractive products that can create “offering the unexpected” value by totally coordinating them. |
| (4) Supply Chain Management: | Having the skills to develop our unique business model of integrating manufacturing, distribution, IT, and retail and optimize the structure from procurement to sales. |
| (5) IT and DX: | Having the skills to drive company-wide business process improvements through IT utilization and DX. |

| Proposal | Candidate No. | Name | Knowledge and experience the Company expects of Directors | | | | | |
|----------|---------------|--------------------|---|-----------------------|---|------------------------------------|-----------------|------------------------|
| | | | (6) Global Management | (7) HR Development | (8) Legal Affairs Risk Management | (9) Internal Control Governance | (10) Finance | (11) Sustainability |
| No.1 | 1 | Akio Nitori | ● | ● | | | | |
| | 2 | Toshiyuki Shirai | | ● | | | | ● |
| | 3 | Masanori Takeda | ● | | ● | | | |
| | 4 | Hiromi Abiko | | ● | | ● | | ● |
| | 5 | Yoshihiko Miyauchi | ● | | ● | | ● | ● |
| | 6 | Naoko Yoshizawa | ● | ● | ● | | | |
| — | — | Takao Kubo | | | ● | ● | ● | |
| | — | Yoshiyuki Izawa | ● | | ● | ● | ● | |
| | — | Hisayoshi Ando | ● | | ● | ● | ● | ● |
| No.2 | — | Masahito Kanetaka | ● | ● | ● | ● | | ● |

[Summary of each skill]

| | |
|--------------------------------------|---|
| (6) Global Management: | Having macroeconomic views and knowledge of global business, and the skills to drive overseas business. |
| (7) HR Development: | Having extensive experience in human resource training and development, and the skills to augment human capital. |
| (8) Legal Affairs / Risk Management: | Having knowledge of legal affairs, compliance, etc., and the skills to identify and control potential risks to the business. |
| (9) Internal Control Governance: | Having experience of operating a large organization and knowledge of internal controls, and the skills to optimize an organization's management and supervision system. |
| (10) Finance: | Having knowledge of accounting, finance, taxation, etc., and the skills to support corporate management. |
| (11) Sustainability: | Equipped with a sustainability management perspective, which is essential for the sustainable development and growth of a company. |

For reference (2)

Independence Criteria for Outside Directors

The Company designates Outside Directors who do not fall under any of the following items as independent Directors.

- 1) A person who is currently or was in the past ten years an executive director, executive officer, manager, or any other employee (hereinafter collectively referred to as “Executive”) of the Company or a subsidiary of the Company.
- 2) A person or the Executive of a corporation who holds either directly or indirectly 10% or more of the total number of the voting rights of the Company.
- 3) A person or the Executive of a corporation for whom the Company or a subsidiary of the Company is a major business partner (Note 1), and a person or the Executive of a corporation who is a major business partner (Note 2) of the Company or a subsidiary of the Company.
- 4) The financial auditor or one of their employees, etc., for the Company or for a subsidiary of the Company.
- 5) A consultant, attorney at law, certified public accountant, certified public tax accountant, etc., who received from the Company or a subsidiary of the Company monetary payment or other property benefits exceeding 10 million yen annually other than director/corporate auditor remuneration (referring to the person belonging to the organization if the one who received the relevant property is an organization such as a corporation or partnership).
- 6) A person or the Executive of a corporation who received donations or aid funds exceeding 10 million yen annually from the Company or a subsidiary of the Company.
- 7) A person who has fallen under any of 2) through 6) in the past three years.
- 8) A person whose spouse or relative who is within the second degree of kinship falls under any of 1) through 7). However, in the event that the person who falls under 1) through 7) is the Executive, this is limited to the important Executive (Note 3).
- 9) Any other person, even if they do not fall under 1) through 8), for whom there is potential for constant conflict of interests with general shareholders as a whole.

- Notes:
1. A business partner for whom 2% or more of its annual consolidated net sales in the most recent fiscal year was paid by the Company or a subsidiary of the Company.
 2. A business partner who paid 2% or more of the annual consolidated net sales of the Company to the Company or a subsidiary of the Company in the most recent fiscal year, or a business partner who loaned money that makes up 2% or more of the consolidated total assets of the Company to the Company or a subsidiary of the Company at the end of the most recent fiscal year.
 3. A person, among the Executives, who executes important business such as a director (excluding an outside director), executive officer, manager or a person in charge of a department.

Current Status of the Corporate Group

(1) Business Progress and Results

During the fiscal year under review (from April 1, 2024 to March 31, 2025), the Japanese economy was expected to recover moderately, supported by improvements in employment and income environment and buoyed by government policy measures. However, downside risks increased due to the impact of U.S. trade policies. Furthermore, the continued rise in prices posed a downside risk to Japan's economy by weakening consumer sentiment and curbing personal consumption. In addition, greater attention was needed to address the potential impact of volatility in financial and capital markets.

In the furniture and interior goods industry, the operating environment remained challenging, with the intensification of sales competition beyond industry and business format boundaries, increases in personnel expenses driven by labor shortages, supply constraints, and rising raw material prices. The main results of operations for the fiscal year under review are as shown below.

| | For the fiscal year ended March 31, 2024 (millions of yen) | For the fiscal year ended March 31, 2025 (millions of yen) | Increase / Decrease (millions of yen) | Percentage change (%) |
|--|--|--|---|--------------------------|
| Net sales | 895,799 | 928,950 | 33,150 | 3.7 |
| Operating profit | 127,725 | 120,372 | (7,353) | (5.8) |
| Profit ratio | 14.3% | 13.0% | | |
| Ordinary profit | 132,377 | 126,218 | (6,159) | (4.7) |
| Profit attributable to owners of parent | 86,523 | 76,891 | (9,632) | (11.1) |

Operating results by business segment are as follows.

| | | For the fiscal year ended March 31, 2024 (millions of yen) | For the fiscal year ended March 31, 2025 (millions of yen) | Increase / Decrease (millions of yen) | Percentage change (%) |
|----------------------|--------------------------------|---|---|---|--------------------------|
| NITORI Business | Net sales | 785,404 | 821,019 | 35,614 | 4.5 |
| | Sales to external customers | 776,835 | 809,806 | 32,971 | 4.2 |
| | Segment profit | 125,075 | 117,508 | (7,566) | (6.0) |
| SHIMACHU Business | Net sales | 119,263 | 119,596 | 333 | 0.3 |
| | Sales to external customers | 118,964 | 119,143 | 179 | 0.2 |
| | Segment profit | 2,108 | 2,175 | 66 | 3.1 |

1) NITORI Business

In terms of the general sales situation in Japan, the Company opened 24 NITORI stores and 15 Deco Home stores during the fiscal year under review. This fiscal year, The Company focused on creating new demand through product development, with the theme of turning customer wants into actual products. Additionally, the Company increased the number of TV commercials from 58 in the previous fiscal year to 65 during the fiscal year under review, focusing on key products. These products were offered at limited-time discounted prices. In collaboration with physical stores and e-commerce platforms, the Company set up highlighted in-store displays and featured product sections online, and provided enhanced customer services. As a result, the Company generated many hit products, such as drum-type laundry washers/dryers and BOX PAD N WARM, which were well received by customers.

As part of our sales promotion efforts aimed at enhancing customer satisfaction, the Company carried out the “NITORI New Life Support Campaign”, offering up to 2,200 items at special limited-time discounted prices. Consequently, sales were strong for products such as the ZIO series of beds with drawers, which make effective use of the space beneath the bed and offer storage capacity equivalent to a full chest of drawers, and jacquard curtains, which can instantly brighten and enhance a room simply by changing the curtains. These items contributed to overall sales exceeding those of the previous year. To promote home appliance sales, the Company launched the “Home Appliance Campaign”, which offers free weekday shipping under certain conditions for customers purchasing home appliances. The Company also strengthened our marketing efforts through TV commercials and product launch events. Furthermore, to enable more customers to use our products with peace of mind, the Company began selling large home appliances priced at 49,900 yen or more (tax included) with a five-year warranty. Such initiatives contributed to strong sales of products such as drum-type laundry washers/dryers and cordless stick cleaners. Going forward, the Company will continue to develop home appliances as the fourth pillar of our business, following large furniture such as sofas and beds, home textiles such as futons and curtains, and household items such as tableware and storage cases.

Although the cost of sales was impacted by rising import costs due to the depreciation of the yen, the Company has developed products designed to maintain profitability even under a weaker yen, and have been gradually replacing existing items with these products. SG&A expenses increased year over year due to higher personnel costs stemming from proactive recruitment and wage adjustments, as well as expenses associated with the new distribution centers (DCs). However, the Company are making proactive efforts to reduce unnecessary and non-urgent expenditures.

On the logistics measures front, the Company implemented a strategic logistics project aimed at optimizing the entire supply chain, from upstream to downstream, and made progress optimizing our DC network and consolidating functions. During the fiscal year under review, the Company started operations at the Saito DC and the Nagoya DC, and partial operations at the Sendai DC, with the strategic goals of reducing costs and improving productivity. In addition, Home Logistics Co., Ltd., our logistics subsidiary, partnered with EDION Corporation to start joint delivery operations for trunk-line transportation of home appliances from Kawasaki to Sendai, to improve logistics efficiency for both companies and reduce environmental impact. Furthermore, as a measure to address the driver shortage associated with the 2024 logistics issue, and with the goals of reducing environmental impact and improving logistics efficiency, the Company has begun operating double trailers for long-distance transportation between distribution centers.

Looking at the general sales situation overseas, during the fiscal year under review, the Company opened a total of 54 stores, including 8 stores in Taiwan, 23 stores in mainland China, 2 stores in Hong Kong, 3 stores in South Korea, 1 store in Malaysia, 2 stores in Singapore, 5 stores in Thailand, 2 stores in Vietnam, 4 stores in the Philippines, 3 stores in Indonesia, and 1 store in India. Among these, the Philippines, Indonesia, and India represent new markets for us. The Company is also reviewing our store opening criteria—particularly in mainland China—and taking steps to improve profitability by closing underperforming stores and relocating some to more favorable locations. For example, the Shanghai Zhongshan Park Store was relocated to the Shanghai Longzhimeng Shopping Center Store, which offers greater customer appeal, resulting in a significant improvement in sales per square meter. To accelerate the expansion of our store network, including into countries and regions where the Company has not yet established a presence, the Company plan to leverage the expertise gained in Japan and begin training local staff at an early stage.

As part of our overseas sales promotion efforts, the Company opened our first overseas Deco Home store, “DECO HOME Hanshin Arena Store,” in Taiwan on October 4, 2024, marking the launch of the DECO HOME business abroad. The store features original Deco Home products, everyday household items, and interior décor goods that bring a stylish touch to any living space, and has been well-received by customers. To enhance cross-channel traffic between our e-commerce site and physical stores, the Company has introduced a BOPIS (Buy Online, Pick-up In Store) service. The Company also ran sales campaigns such as the “W11 (Singles’ Day)” campaign on both our official website and external e-commerce platforms in Taiwan to boost sales. In Mainland China, the Company renovated stores to expand our selection of products with high space efficiency, as part of our efforts to improve operating profit. In Hong Kong, the Company strengthened sales through strategies including improved kitchen furniture layout proposals and offering pet supplies at less than one-third of competitors’ prices, leveraging our capabilities in developing low-priced, high-quality private brand products. On December 19, 2024, the Company opened our flagship store, Wanchai Hopewell Mall Store in Hong Kong, with a sales floor area of approximately 3,300 square meters. In South Korea, the Company is continuing our efforts to increase NITORI membership and enhance brand recognition through advertising in local

media. In other countries and regions as well, the Company has been working to strengthen customer relationships and improve shopping convenience.

As part of our logistics initiatives for overseas operations, the Company reviewed the distribution flow of locally procured products to reduce expenses. In Mainland China, Hong Kong, and Vietnam, the Company cut transportation and storage costs by shifting from deliveries routed through distribution centers to direct deliveries from factories to stores.

2) SHIMACHU Business

As a key sales initiative, the Company conducted the “New Life Support Campaign,” offering limited-time price reductions on up to 1,400 items, including daily consumables and pet food. This campaign contributed to strong sales. The Company has also been actively promoting the development and sales of private brand products. Among them, bicycles—particularly city bikes such as “NH504” and “NH505”—performed strongly, with sales exceeding the previous year’s results in both net sales and gross profit. Turning to N easy, our new apparel line, the Company increased the number of stores carrying the line to 39. The Company also made promotional efforts, such as coupon distribution at select locations, as part of our apparel and bag collection and recycling activities. As a result, sales have grown steadily. In the tenant business, the Company is enhancing customer appeal and improving profitability through measures such as attracting large tenants, promoting lease renewals upon contract expiration, and reviewing fixed-term lease agreements.

Regarding SG&A expenses, the amount exceeded that of the previous fiscal year. This was primarily due to an increase in personnel expenses resulting from wage revisions, as well as higher advertising expenses associated with an increased number of TV commercials and digital advertisements. Furthermore, the Company will continue to pursue cost reduction initiatives, such as lowering furniture delivery costs through logistics system integration with NITORI, while also strengthening gross profit measures, reinforcing cost controls, and making necessary investments.

To boost sales, the Company will expand sales promotions utilizing apps and renovate existing stores with the aim of increasing customer traffic. Additionally, to improve gross profit, the Company will increase headcount in product planning and review shelf allocation and product display strategies, with the aim of enhancing the development and sales of private brand products.

The Company will further accelerate the development of “Offering the Unexpected” private brand products, tailored to our customers’ lifestyles, enhance our product lineup, and contribute to more comfortable living for customers in each region.

3) Entire Group

Progress on the indicators set as targets up to 2025 is as follows.

| | | Targets up to 2025 | As of March 31, 2024 |
|--------------------------|--|--------------------|----------------------|
| Group total | Number of customers (per year) | Over 200 million | 149 million |
| | Number of stores (end of term) | 1,400 | 1,048 |
| Domestic in Japan | Number of App members (end of term) | 25 million | 22.56 million |
| | EC Sales (per year) | 150.0 billion yen | 95.4 billion yen |

The status of store openings and closures is as follows.

| | Number of stores (March 31, 2023) | Open | Close | Number of stores (March 31, 2024) |
|-----------------------------------|--------------------------------------|------|-------|--------------------------------------|
| Nitori (including Nitori EXPRESS) | 556 | 24 | 14 | 566 |
| Deco Home | 174 | 15 | 17 | 172 |

| | | | | |
|--------------------------|--------------|------------|-----------|--------------|
| N Plus | 38 | 10 | 4 | 44 |
| Domestic Subtotal | 768 | 49 | 35 | 782 |
| Taiwan | 61 | 8 | 1 | 68 |
| Mainland China | 95 | 23 | 18 | 100 |
| Hong Kong | 1 | 2 | - | 3 |
| Korea | 3 | 3 | 1 | 5 |
| Malaysia | 11 | 1 | - | 12 |
| Singapore | 2 | 2 | - | 4 |
| Thailand | 5 | 5 | - | 10 |
| Vietnam | 1 | 2 | - | 3 |
| Philippine | - | 4 | - | 4 |
| Indonesian | - | 3 | - | 3 |
| Indian | - | 1 | - | 1 |
| Overseas Subtotal | 179 | 54 | 20 | 213 |
| NITORI Business | 947 | 103 | 55 | 995 |
| SHIMACHU Business | 54 | - | 1 | 53 |
| Total | 1,001 | 103 | 56 | 1,048 |

NITORI Group revised its mission from “To enrich the homes of people all over the world.” to “Enrich the everyday lives of people all over the world.” on February 12, 2025.

Founded in 1967 with its origins in furniture sales, NITORI Group has consistently aimed to enhance its customers’ lives by providing more comfortable and enriching lifestyles. Our business has expanded into a home furnishings operation that now includes not only furniture, but also bedding, curtains, decorative items, and everyday household goods. In recent years, NITORI Group has expanded our focus to include home appliances and pet supplies, while also broadening our offerings through our apparel business and home improvement store business, all to enrich our customers’ lives. The Company is committed to helping build a society in which people around the world can enjoy truly fulfilling lives, while striving for sustainable growth as a group.

4) Sustainability Initiatives

During the fiscal year under review, the Company has continued to promote initiatives that support our customers’ daily lives across the stages of manufacturing, transportation, use, and after use under the slogan, “Good for the future. Good for everyone.” To achieve the “Nitori Group Green Vision 2050,” formulated as a set of goals for 2050 in August 2024, the entire Nitori Group is working together to advance initiatives toward our goals under three themes: Promotion of Circular Business, Sustainable Procurement, and Response to Climate Change.

As part of our efforts for the "Promotion of Circular Business," the Company has been operating a curtain recycling program. In response to customer feedback, particularly from those considering replacing or discarding curtains, expressing that “curtains are difficult to dispose of because they still appear usable,” the Company is accepting used curtains for recycling on an ongoing basis at all NITORI, SHIMACHU, and Deco Home stores nationwide (hereinafter “All Stores”). This initiative has been utilized by approximately 422,000 people cumulatively from fiscal 2022 to 2024, and approximately 1.683 tons of curtains have been collected. In addition, the Company conducted a second round of towel recycling at All Stores for a limited time this year. This initiative was launched in response to customer concerns such as “I have unused towels piling up at home” and “I want to unify the colors and patterns of my towels, but I don’t have a good reason to replace them yet.” Thanks to the positive feedback received, the Company extended the collection period compared to the first round, resulting in further resource recycling. The Company conducted a limited-time campaign to collect down feather quilts for recycling at All Stores. During the same period, the Company also launched sales of down feather quilts made from recycled down collected from approximately 46,000 customers in the previous fiscal year. These new down feather quilts had a much higher recycled down content per quilt, further advancing our efforts toward sustainability. In addition, the Company is working to promote the recycling of both products and packaging while maintaining the price and quality of “Offering the Unexpected”. Specifically, for products, the

Company is advancing product development designed with consideration for resource recycling. For packaging, the Company is promoting a switch to materials with reduced environmental impact to enable reuse as resources rather than disposal as waste.

To advance our “Sustainable Procurement” initiatives, the Company promotes sustainable procurement throughout our entire supply chain with the aim of taking environmental and social issues into consideration. In particular, the Company pursues building a supply chain for sustainable timber procurement that eliminates deforestation, illegal logging, and human rights violations by implementing traceability systems that take biodiversity into account with our suppliers.

In relation to our “Response to Climate Change,” the Company commenced full operation of NITORI Power Plant, the first scheme to utilize surplus electricity in Japan. By maximizing the strengths of the Group’s nationwide store and logistics network and working in partnership with Sustech Inc., the Company has introduced a renewable energy cycle that utilizes surplus electricity generated through solar panels installed on the rooftops of our stores and logistics facilities. As a rooftop solar power generation project on company-owned facilities under the FIP system, this is the first and one of the largest in Japan.

NITORI Group was selected for the first time for inclusion in the FTSE4Good Index Series and the FTSE Blossom Japan Index, and has also been included in the FTSE Blossom Japan Sector Relative Index for the third consecutive year. The FTSE4Good Index Series is recognized as one of the world’s leading ESG investment indices, while the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index specifically evaluate the ESG performance of Japanese companies.

Going forward, the Company will continue developing sustainably as a company while at the same time seeking to contribute to a better future by solving social and environmental problems through our end-to-end circular business model.

(2) Capital investment

Total capital investment in the fiscal year amounted to 126,092 million yen, mainly for the construction of new stores and distribution centers and for the opening of new stores in the next fiscal year and beyond.

(3) Issues to be addressed

<Figure omitted>

(4) Status of assets and income

| | 50th fiscal year | 51st fiscal year | 52nd fiscal year | 53rd fiscal year (Fiscal year under review) |
|---|------------------|------------------|------------------|--|
| Net sales (million yen) | 811,581 | 948,094 | 895,799 | 928,950 |
| Ordinary profit (million yen) | 141,847 | 144,085 | 132,377 | 126,218 |
| Profit attributable to owners of parent (million yen) | 96,724 | 95,129 | 86,523 | 76,891 |
| Earnings per share (yen) | 856.71 | 841.90 | 765.62 | 680.38 |
| Total assets | 983,840 | 1,133,771 | 1,238,679 | 1,350,631 |
| Total net assets | 732,813 | 818,096 | 896,308 | 965,352 |
| Net assets per share | 6,489.57 | 7,239.04 | 7,931.07 | 8,542.07 |

(5) Major offices and plants (As of March 31, 2025)

◆Major Locations in Japan

(i) Offices

Sapporo, Tokyo, Toyonaka (Osaka), Saitama

(ii) Logistics centers

Ishikari (Hokkaido), Sendai (Miyagi), Shiraoka (Saitama), Yokohama, Kawasaki,
Ibaraki (Osaka), Kobe, Sasaguri (Fukuoka)

(iii) Factories

Satte (Saitama)

◆Major Overseas Locations

(i) Offices

Shanghai (Mainland China), Taipei (Taiwan), Kuala Lumpur (Malaysia)

(ii) Logistics centers

Taicang (Mainland China)

(iii) Factories

Hanoi (Vietnam), Ba Ria - Vung Tau (Vietnam), Vinh Phuc (Vietnam), Samut Prakan (Thailand)

(6) Status of principal subsidiaries (As of March 31, 2025)

(i) Principal subsidiaries

| Company Name | Share Capital | Voting rights ratio | Principal business |
|--|--------------------|---------------------|--|
| Nitori Co., Ltd. | 1,000 million yen | 100.0% | Sales of furniture and interior goods |
| Home Logistics Co., Ltd. | 490 million yen | 100.0% | Logistics Services |
| SHIMACHU CO., LTD. | 101 million yen | 100.0% | Sales of furniture, interior goods, and home improvement products. |
| NITORI TAIWAN CO., LTD. | 2,768 million yen | 100.0% | Sales of furniture and interior goods |
| NITORI (CHINA) HOLDING Co., Ltd. | 6,614 million yen | 100.0% | Management of group companies |
| DECOHOME CHINA Co., Ltd. | 693 million yen | 100.0% [100.0%] | Sales of furniture and interior goods |
| NITORI (SHANGHAI) HOME FURNISHING CO., LTD | 1,657 million yen | 100.0% [100.0%] | Sales of furniture and interior goods |
| NITORI (SHANGHAI) HOME FURNISHING SALES CO., LTD | 50 million yen | 100.0% [100.0%] | Sales of furniture and interior goods |
| Nitori Taicang Trading & Logistics Co., Ltd. | 6,421 million yen | 100.0% | Logistics Services and Commodity Input |
| Nitori Furniture Vietnam EPE | 18,237 million yen | 100.0% [100.0%] | Furniture Manufacturing |
| Nitori Public Co., Ltd. | 150 million yen | 100.0% | Advertising Business |
| HOME DECO CO., LTD. | 28 million yen | 100.0% | Curtain Manufacturing |

Notes: 1. Figures in square brackets in the Voting rights ratio column represent indirect holdings.

2. The status of specified wholly owned subsidiaries as of the end of the current fiscal year is as follows.

| Company Name | Address | Book value of shares | Total assets of the Company |
|--------------------|--|----------------------|-----------------------------|
| SHIMACHU CO., LTD. | 8-3-32, Kamiochiai, Chuo-ku, Saitama-shi, Saitama | 216,038 million yen | 599,241 million yen |

(ii) Principal affiliated company

| Company Name | Share Capital | Voting rights ratio | Principal business |
|-------------------|-------------------|---------------------|----------------------------------|
| KATITAS Co., Ltd. | 3,778 million yen | 34.2% | Pre-Owned Housing Revitalization |

(7) Principal business (As of March 31, 2025)

The Group consists of the Company, 37 consolidated subsidiaries and one equity-method affiliate, and is distinguished between NITORI Business and SHIMACHU Business. NITORI Business involves the development, manufacture, and sale of furniture and interior goods, as well as other activities such as real estate leasing, advertising services, and logistics services. SHIMACHU Business includes the sale of furniture, interior goods, and home improvement products.

(8) Status of employees (As of March 31, 2025)

| Division | Number of Employees | Number of Temporary Employees | Increase / Decrease | |
|-------------------|---------------------|-------------------------------|---------------------|-------|
| NITORI Business | 18,874 | 19,637 | 1,360 | 2,669 |
| SHIMACHU Business | 1,297 | 2,699 | (123) | (61) |
| Total | 20,171 | 22,336 | 1,237 | 2,730 |

Notes: The number of employees is the number of full-time employees, and the number of temporary employees is the average number of employees per year (converted to 8 hours per day) in the right column.

(9) Principal lenders and amount of borrowings (As of March 31, 2025)

| Lender | Loan balance |
|-------------------------------------|--------------------|
| Sumitomo Mitsui Banking Corporation | 36,000 million yen |
| Sumitomo Mitsui Trust Holdings, Inc | 36,000 million yen |
| Mizuho Bank, Ltd. | 36,000 million yen |
| North Pacific Bank, Ltd. | 36,000 million yen |
| MUFG Bank, Ltd. | 26,000 million yen |
| Saitama Resona Bank, Limited | 10,000 million yen |
| Resona Bank, Limited | 10,000 million yen |

Status of the Company

(1) Matters Regarding Shares (As of March 31, 2025)

(i) Total number of authorized shares

288,000,000 shares

(ii) Total number of issued shares

114,443,496 shares

*The number stated above includes 1,044,496 shares of treasury stock.

(iii) Number of shareholders

44,496

(iv) Status of the top 10 shareholders

| Name | Number of shares owned (thousands) | Ratio to the total number of issued shares (%) |
|---|---------------------------------------|---|
| NITORI Trading Ltd. | 20,799 | 18.34 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 20,219 | 17.83 |
| Custody Bank of Japan, Ltd. (trust account) | 8,745 | 7.71 |
| NITORI International Scholarship Foundation | 5,000 | 4.41 |
| North Pacific Bank, Ltd. | 3,860 | 3.40 |
| Akio Nitori | 3,410 | 3.00 |
| National Mutual Insurance Federation of Agricultural Cooperatives | 2,561 | 2.26 |
| Momoyo Nitori | 2,078 | 1.83 |
| Nippon Life Insurance Company | 2,056 | 1.81 |
| STATE STREET BANK WEST CLIENT – TREATY 505234 | 1,623 | 1.43 |

Notes: 1. The numbers presented in “Number of shares held” above are calculated based on the list of shareholders.
2. The Company’s 1,044,496 shares of treasury stock are excluded from the above list of major shareholders.
3. Calculations of equity positions exclude holdings of treasury stock.
4. The number of shares owned by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are shares held in securities investment trusts and retirement benefit trusts.

(v) Matters regarding shares granted to Company officers during the fiscal year as consideration for performance of duties

Not applicable.

(2) Matters Regarding Company Officers (As of March 31, 2025)

(i) Status of the Directors

| Position in the Company | Name | Responsibility in the Company and Significant concurrent positions outside the Company |
|--|--------------------|--|
| Representative Director & Chairperson | Akio Nitori | Representative Director, Chairperson & President of Nitori Co., Ltd. |
| | | Director & Senior Advisor of Home Logistics Co., Ltd. |
| | | Representative Director & Chairperson of Nitori Public Co., Ltd. |
| | | Director & Senior Advisor of HOME DECO CO., LTD. |
| | | Representative Director & Chairperson of N Plus Co., Ltd. |
| | | Representative Director, Chairperson & President of Nitori Furniture Co., Ltd. |
| | | Chairperson of Nitori Furniture Vietnam EPE |
| | | Director of SHIMACHU CO., LTD |
| | | Director & Senior Advisor of Nitori Digital Base Co., Ltd. |
| Representative Director & President | Toshiyuki Shirai | Director of Nitori Co., Ltd. |
| | | Representative Director & Chairperson of Home Logistics Co., Ltd. |
| | | Director of Nitori Public Co., Ltd. |
| | | Director of Nitori Furniture Co., Ltd. |
| | | Director of N plus Co., Ltd. |
| | | Director of KATTAS Co., Ltd. |
| | | Director of SHIMACHU CO., LTD. |
| | | Representative Director & Chairperson of Nitori Digital Base Co., Ltd. |
| Director, Executive Officer & Vice President | Masanori Takeda | General Manager of Global Sales Promotion Office |
| | | In charge of Overseas Business |
| | | Director of Nitori Co., Ltd. |
| | | Chairperson of NITORI (CHINA) HOLDING Co., Ltd. |
| | | Chairperson of Nitori Taicang Trading & Logistics Co., Ltd. |
| | | Chairperson of NITORI HONG KONG CO., LTD. |
| | | Chairperson of NITORI KOREA CO., LTD. |
| | | Director of Nitori India Private Limited |
| Director | Hiromi Abiko | General Manager of HR Education Division |
| Director | Takaaki Okano | Director of SHIMACHU CO., LTD. |
| Director | Yoshihiko Miyauchi | Senior Chairman of ORIX Corporation |
| | | Outside Director of ACCESS CO., LTD. |
| | | Outside Director of Calbee, Inc. |
| | | Outside Director of RAKSUL INC. |
| Director | Naoko Yoshizawa | Outside Director of Yamaha Corporation |

| | | |
|--|-------------------|---|
| Director (Full-time Member of Audit & Supervisory Committee) | Takao Kubo | Corporate Auditor of Nitori Co., Ltd. |
| | | Corporate Auditor of Home Logistics Co., Ltd. |
| | | Corporate Auditor of SHIMACHU CO., LTD. |
| Director (Member of Audit & Supervisory Committee) | Yoshiyuki Izawa | Outside Director of Seven & i Holdings Co., Ltd. |
| | | Outside Director of Sanoh Industrial Co., Ltd. |
| Director (Member of Audit & Supervisory Committee) | Hisayoshi Ando | Outside Director of Marubeni Corporation |
| | | Outside Director of MAMEZO DIGITAL HOLDINGS CO., LTD |
| | | Representative Director & President of Tokyo Small and Medium Business Investment & Consultation Co., Ltd |
| Director (Member of Audit & Supervisory Committee) | Masahito Kanetaka | — |

1. Fumiaki Matsumoto retired as a Director upon the expiration of his term of office, effective at the conclusion of the 52nd Annual General Meeting of Shareholders held on June 20, 2024.
2. Fumihiro Sudo (Director of Nitori Co., Ltd. and Representative Director and Chairperson of SHIMACHU Co., LTD.) retired by resignation as of January 31, 2025. Please note that his concurrent positions as described above were those held at the time of his resignation.
3. Yoshihiko Miyauchi, Naoko Yoshizawa, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka are Outside Directors.
4. Takao Kubo is appointed as a Full-time Member of Audit & Supervisory in order to enhance the effectiveness of auditing and supervisory functions by collecting and sharing information from Directors and strengthening cooperation with the Internal Audit Department and other departments. He has many years of experience in his duties at the Company and has considerable knowledge of finance and accounting.
5. The Company registered Yoshihiko Miyauchi, Naoko Yoshizawa, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka as independent officers with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges, and each of them meets the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 15 for the “Independence Criteria for Outside Directors.”
6. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshiko Miyauchi, Naoko Yoshizawa, Takao Kubo, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.
7. The Company has concluded a Directors and Officers Liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that they were in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company.
8. The Company has introduced an executive officer system to clearly separate management’s decision-making function and business execution function for more efficient and expedited management and to respond to changes in the business environment promptly and appropriately.

Executive Vice President: Masanori Takeda

Managing Executive Officers: Mitsuru Oki, Naoshi Takei, Manabu Nakamura, Hiroshi Nagai, Kazuyuki Hashimoto, Junichi Yoshima, Tadashi Kudo, Tsuyoshi Okamura

Senior Executive Officers: Isao Arai, Hiroki Murabayashi, Kenichiro Aoya, Kazuya Tsukada

Executive Officers: Akio Igarashi, Ei Sugiura, Harumi Sawai, Akihiro Kushida, Toshinori Arai, Masaomi Zenji, Tetsuya Okuda, Takuya Ono, Tetsuo Yamamoto, Masatoshi Sano, Yuichi Maruhashi, Hiroyuki Tajiri, Noriaki Hase, Hideki Sasaki, Ryo Takahashi, Katsunori Kobayashi

(ii) Matters regarding the policy for determination of the amount and calculation method of the compensation, etc. of Directors

The Company has established a policy for determining the compensation, etc. for Directors, as set out below, and determine the amount of compensation, etc. for Directors and the calculation methods thereof in accordance with this policy. The Company has also established the Nominating and Compensation Committee, made up of a majority of independent Outside Directors, as a voluntary advisory organ for the Board of Directors, to ensure the appropriateness of compensation, etc. for Directors and the transparency of the determination process.

(a) Matters regarding the policy for determination of the compensation, etc. of Directors

The Company considers sustainable growth and improvement of corporate value in the medium and long term to be management priorities and believes that the system of compensation for Directors should be a system that contributes to the growth and enhancement of its corporate value. Specifically, compensation for Directors (excluding non-executive Directors, for example, Directors who are Audit & Supervisory Committee Members) (hereafter “Executive Directors”) consists of fixed basic compensation and performance-based compensation, and the Company has made the link between performance-based compensation and business results even clearer and set the percentage of performance-based compensation in total compensation at an appropriate level, in order to make Directors more aware of contributing to sustainable enhancement of its corporate value through medium-and long-term improvement in business results and their shared interest with shareholders.

The compensation of non-executive Directors such as Directors who are Audit & Supervisory Committee Members (hereinafter, “Non-executive Directors”) consists of fixed basic compensation, in principle. Non-executive Directors are not paid performance-based compensation.

Furthermore, based on a report obtained from the Nominating and Compensation Committee, the Company resolved, at the Board of Directors meeting held on March 5, 2021, to adopt a policy on determining compensation, etc. for each Director.

(b) Matters regarding shareholders meeting resolutions pertaining to the compensation, etc. of Directors

| Division | Date of resolution at the General Meeting of Shareholders | Details |
|---|--|---|
| Monetary compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) •Basic compensation •Performance-based monetary compensation (short-term incentive compensation) | May 13, 2016; 44th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had seven Directors (excluding Directors who are Audit & Supervisory Committee Members) (including two Outside Directors). | ◆The maximum amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be 600 million yen per year (including the maximum amount of compensation for Outside Directors of 100 million yen per year). ◆Details such as the actual amount to be paid to each Director (excluding Directors who are Audit & Supervisory Committee Member) and the timing of payment shall be determined by resolution of the Board of Directors. |
| Compensation for Directors who are Audit & Supervisory Committee Members | May 13, 2016; 44th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had four Directors who are Audit & Supervisory Committee Members (including three Outside Directors). | ◆The maximum amount of compensation for Directors who are Audit & Supervisory Committee Members shall be 120 million yen per year. ◆Details such as the actual amount to be paid to each Director who is an Audit & Supervisory Committee Member and the timing of payment shall be determined by discussion among the Directors who are Audit & Supervisory Committee Members. |
| Stock compensation for Executive Directors •Performance-based stock compensation (medium- to long-term incentive compensation) | May 11, 2017; 45th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had six Executive Directors (including no Outside Directors). | ◆Separate from the maximum amount of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members), the maximum amount of stock compensation for Executive Directors shall be 300 million yen per year. |

(c) Composition of the compensation and overview of procedures for determination of the compensation

Details of the Company's compensation for Directors such as the composition of compensation, evaluation of the appropriateness of the design of the performance-based compensation system, the setting of targets and the evaluation of results are deliberated by the Nominating and Compensation Committee and determined by the Board of Directors based on the Committee's report of its deliberations submitted to the Board of Directors.

(1) Executive Directors

Compensation for Executive Directors is composed of fixed basic compensation and performance-based compensation whose amount varies based on the company's business performance and other factors. Performance-based compensation consists of performance-based monetary compensation-based to each fiscal year's business performance, etc. (short-term incentive compensation) and performance-based stock compensation that is based on targets set in advance every two fiscal years for the company's business performance during a target period and that is paid in the Company's common shares after the end of the target period according to the degree of achievement of these targets (medium- to long-term incentive compensation). The pay structure is such that basic compensation accounts for 75% and performance-based monetary compensation (short-term incentive compensation) accounts for 25%, and performance-based stock compensation (medium- to long-term incentive compensation) are 10% of a cumulative two-year total of the above single fiscal year compensation (which gives the effective composition ratio of performance-based compensation of 31.8%).

The amount of basic compensation is determined by a resolution, etc. of the Board of Directors, etc. within a maximum amount approved by the General Meeting of Shareholders.

The performance-based monetary compensation (short-term incentive compensation) is linked to business performance in a single fiscal year and is positioned as monetary compensation that reflects key performance indicators (KPIs) in order to increase awareness of improving business results each fiscal year. It is calculated based on the achievement of business performance targets such as consolidated operating profit for each fiscal year (the company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.) and is variable between 0% and 150% of the base amount. Based on consideration of the rate of achievement of business performance targets such as consolidated operating profit for each fiscal year (the company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.), among other factors, the amount to be paid to each Director is calculated and determined by a resolution, etc. of the Board of Directors, etc. with reference to a report by the Nominating and Compensation Committee and within the maximum amount approved by the General Meeting of Shareholders.

To strengthen the link between performance-based stock compensation and medium- to long-term enhancement of corporate value, the Company has adopted Performance Share Units. Compensation is calculated based on the achievement of business performance targets such as consolidated profit for every two fiscal years (company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.) and is variable between 0% and 200% of the basic amount. After the end of the target period, based on consideration of the rate of achievement of business performance targets such as consolidated profit for every two fiscal years (company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.), among other factors, and using the number of shares to be delivered determined with reference to the report of the Nominating and Compensation Committee as a basis for the calculation, the amount of monetary compensation claims to be contributed in kind by each Director and the amount equivalent to tax expenses that will be borne by each Director as a result of acquisition of the Company's common shares are determined by a resolution, etc. of the Board of Directors, etc. within the maximum amount approved by the General Meeting of Shareholders.

For the above stock compensation, the number of shares to be delivered to each Director is calculated by adding together the number of shares for each respective numerical target obtained by multiplying the "basic number of shares to be delivered" determined for each applicable Director (determined taking into consideration factors such as the position of each Director and the rate of achievement of single fiscal year performance targets during the target period) by an allocation percentage for "each respective numerical target" set for each Director (set from among company-wide targets (consolidated profit, etc.), individual targets (performance of department in charge, etc.) and "each respective performance-based coefficient" determined based on the rate of achievement of each respective numerical target (determined in the range 0% to 200%). Furthermore, Executive Directors (including Directors who retire after delivery of shares under the system) are required to continue holding the shares delivered under the system for a certain period in accordance with the shareholding guidelines established by the Company's Board of Directors to promote medium- to long-term profit sharing with shareholders. The shareholding guidelines set forth that a three-year restriction shall be imposed on the transfer of shares delivered under the system. Furthermore, the shareholding guidelines stipulate 'Clawback Provisions,' which are clauses concerning the claim for return of stock-based compensation. These provisions prescribe that, in the event a material misstatement in financial statements or similar documents is identified, and if such misstatement is attributable to misconduct or illegal acts, the Company may demand the return of all or part of an amount equivalent to the relevant stock-based compensation.

(2) Non-Executive Directors

The compensation of Non-executive Directors is composed of fixed basic compensation, in principle. Executive Directors are not paid performance-based monetary compensations (short-term incentive compensation) or performance-based stock compensation (medium- to long-term compensation).

The basic compensation for Non-executive Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by resolution, etc. by the Board of Directors, etc. within the maximum amount of compensation, etc. for such Directors approved by the General Meeting of Shareholders. The basic compensation for Directors who are Audit & Supervisory Committee Members is determined through discussion among Directors who are Audit & Supervisory Committee Members within the maximum amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members approved by the General Meeting of Shareholders.

(d) Matters regarding delegation pertaining to the decision of compensation, etc. to each Director

Determination of the specific amounts allocated to each Director (excluding Directors who are Audit & Supervisory Committee Members) for basic compensation and for performance-based monetary compensation (short-term incentive compensation) and performance-based stock compensation (medium- to long-term incentive compensation) that reflects achievement of company-wide targets and individual targets is delegated to Representative Director & Chairperson Akio Nitō based on a resolution of the Board of Directors, on the assumption that such amounts will be within the maximum amounts of compensation, etc. approved by the General Meeting of Shareholders. Mr. Nitō is delegated this authority based on the judgment that he is the most suitable person to make a comprehensive evaluation of each Director (excluding Directors who are Audit & Supervisory Committee Members), including their professional ability. Furthermore, when delegating determination of specific allocations of compensation to each Director (excluding Directors who are Audit & Supervisory Board Members), the Board of Directors consults with and obtains a report from the Nominating and Compensation Committee, which consists of a majority of independent Outside Directors, regarding the performance evaluation process used to determine the amounts of performance-based compensation paid, in order to ensure that the delegated authority is exercised in an appropriate manner, and Mr. Nitō gives utmost respect to this report when determining the specific amounts of compensation allocated.

The amount of compensation, etc. for each Director who is Audit & Supervisory Committee Member is determined through discussion among Directors who are Audit & Supervisory Committee Members within the maximum amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members approved by the General Meeting of Shareholders.

(e) Amounts of compensation, etc. paid to Directors in the fiscal year under review

| Division | | Total amount of compensation, etc. | Total amount by type of compensation, etc. | | | Number of Applicable Directors |
|---|---|------------------------------------|--|---|--|--------------------------------|
| | | | Basic compensation | Performance-based compensation | | |
| | | | | monetary compensation (short-term incentive compensation) | stock compensation (medium- to long-term incentive compensation) | |
| Directors (excluding Directors who are Audit & Supervisory Committee Members) | Directors (excluding Outside Directors) | 220 million yen | 220million yen | - | - | 6 |
| | Outside Director | 21 million yen | 21 million yen | | | 2 |
| Directors who are Audit & Supervisory Committee Members | Directors (excluding Outside Directors) | 16 million yen | 16 million yen | | | 1 |
| | Outside Director | 36 million yen | 36 million yen | | | 3 |

- Notes: 1. The aforementioned Total amount of compensation, etc., Basic compensation, and Number of Applicable Directors includes one (1) Director (excluding Outside Directors) who retired at the conclusion of the 52nd Annual General Meeting of Shareholders held on June 20, 2024, and one (1) Director (excluding Outside Directors) who retired due to resignation on January 31, 2025.
2. As of March 31, 2025, Directors (excluding Directors who are Audit & Supervisory Committee Members) consist of five Directors (excluding Outside Directors) and two Outside Directors. Directors who are Audit & Supervisory Committee Members consist of one (1) Director (excluding Outside Directors) and three (3) Outside Directors.

3. The amounts of compensation, etc. paid to each Director in the fiscal year under review were determined by the process described in (d), and the Board of Directors deems that the amounts of compensation, etc. paid to each Director in the fiscal year under review are in line with the determination policy.

The Company selected consolidated operating Income and Return on Equity (ROE) as the indicator for performance-based compensation in the fiscal year under review, in order to clarify the link between compensation and business performance and shareholders' interests. Performance targets and results in the fiscal year under review were as follows.

| | Target | Results |
|-------------------------------|---------------------|---------------------|
| Consolidated Operating Income | 129,600 million yen | 120,372 million yen |
| Return on Equity | 11.7% | 8.3% |

Notes: 1. No performance-based compensation is provided to Non-Executive Directors.

(iii) Matters Regarding Outside Directors

- (a) Matters regarding significant concurrent positions as executives of other corporations

Not applicable.

- (b) Matters regarding significant concurrent positions as outside directors (and other officers) of other corporations

| Position in the Company | Name | Significant concurrent positions of other corporations | Relationship between the Company and the company where he/she holds concurrent positions |
|--|--------------------|--|--|
| Director | Yoshihiko Miyauchi | Senior Chairman of ORIX Corporation | There are no material business relationships. |
| | | Outside Director of ACCESS CO., LTD. | There are no material business relationships. |
| | | Outside Director of Calbee, Inc. | There are no material business relationships. |
| | | Outside Director of RAKSUL INC. | There are no material business relationships. |
| Director | Naoko Yoshizawa | Outside Director of Yamaha Corporation | There are no material business relationships. |
| Director (Member of Audit & Supervisory Committee) | Yoshiyuki Izawa | Outside Director of Seven & i Holdings Co., Ltd. | There are no material business relationships. |
| | | Outside Director of Sanoh Industrial Co., Ltd. | There are no material business relationships. |
| Director (Member of Audit & Supervisory Committee) | Hisayoshi Ando | Outside Director of Marubeni Corporation | There are no material business relationships. |
| | | Outside Director of MAMEZO DIGITAL HOLDINGS CO., LTD. | There are no material business relationships. |
| | | Representative Director & President of Tokyo Small and Medium Business Investment & Consultation Co., Ltd. | There are no material business relationships. |
| Director (Member of Audit & Supervisory Committee) | Masahito Kanetaka | — | — |

- (c) Status of the main activities of each outside director (excluding Directors who are Audit & Supervisory Committee Members)

| Name | the Board of Directors meeting (13 times) | | Summary of duties performed with respect to major activities and expected roles |
|--------------------------------|--|------------------|---|
| | Number of Attendances | Attendance ratio | |
| Director Yoshihiko Miyauchi | 12 times | 92.3% | He attended 12 out of 13 meetings of the Board of Directors held during the fiscal year under review. During the period under review, he appropriately fulfilled his expected role by actively providing advice, etc. on the Company's medium- to long-term plans, management strategies, etc. from a broad perspective based on his extensive experience and high-level insight on corporate management derived from |

| | | | |
|-----------------------------|----------|------|--|
| | | | his long years of involvement in the management of global companies. |
| Director Naoko Yoshizawa | 13 times | 100% | She attended all 13 meetings of the Board of Directors held during the fiscal year under review. During the period under review, she appropriately fulfilled her expected role by actively providing advice, etc. from a professional perspective on IT enhancement measures, etc. to promote the Company's DX, based on her extensive experience and high-level insight into corporate management derived from her experience in important positions in a variety of business fields. |

Notes: In addition to the above number of Board of Directors meetings, there were three resolutions in writing that were deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 22 of the Company's Articles of Incorporation.

(d) Status of the main activities of each outside director who are Audit & Supervisory Committee Members

| Name | the Board of Directors meeting (13 times) | | Audit & Supervisory Committee meeting (13 times) | | Summary of duties performed with respect to major activities and expected roles |
|---|--|------------------|---|------------------|---|
| | Number of Attendances | Attendance ratio | Number of Attendances | Attendance ratio | |
| Director (Member of Audit & Supervisory Committee) Yoshiyuki Izawa | 13 times | 100% | 13 times | 100% | He attended all 13 meetings of the Board of Directors, and all 13 meetings of the Audit Committee held during the fiscal year under review. During the fiscal year under review, he appropriately fulfilled his expected role by actively making comments on the Company's financial and investment strategies, etc., and by supervising the Company's business execution, etc., based on his extensive experience in corporate management and his high-level insight, which is not only as a manager but also from an investor's perspective. |
| Director (Member of Audit & Supervisory Committee) Hisayoshi Ando | 12 times | 92.3% | 12 times | 92.3% | He attended 12 out of 13 meetings of the Board of Directors, and 12 out of 13 meetings of the Audit Committee held during the fiscal year under review. During the period under review, he appropriately fulfilled his expected role by supervising the execution of the Company's business operations, etc., including proactively making comments on the Company's global strategies and security measures, based on his abundant experience and professional insight derived from having served in various important positions, including Administrative Vice Minister of Economy, Trade and Industry. |
| Director (Member of Audit & Supervisory Committee) Masahito Kanetaka | 13 times | 100% | 13 times | 100% | He attended all 13 meetings of the Board of Directors, and all 13 meetings of the Audit Committee held during the fiscal year under review. During the period under review, he appropriately fulfilled the expected role by supervising the execution of the Company's business operations, etc., including proactively making comments on the Company's risk management system and policies for dealing with misconduct, based on his abundant experience and professional insight derived from having served in various important positions, including Commissioner of the National Police Agency. The Company has been fulfilling its expected role. |

Notes: In addition to the above number of Board of Directors meetings, there were three resolutions in writing that were deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 22 of the Company's Articles of Incorporation.

(3) Matters Regarding Accounting Auditors

(i) Name

Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration of accounting auditor

| Division | Amount of payment |
|---|-------------------|
| Amount of compensation, etc. for the current fiscal year | 169 million yen |
| Total amount of monetary and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor | 233 million yen |

- Notes:
1. The audit contract between the Company and the accounting auditor does not clearly distinguish between the amount of remuneration, etc. for audits based on the Companies Act and the amount of remuneration, etc. for audits based on the Financial Instruments and Exchange Act, and it is practically impossible to do so; therefore, the total of these amounts is shown in the amount of remuneration, etc. for the current fiscal year.
 2. The Company's overseas subsidiaries are audited by auditing firms other than the Company's accounting auditor..
 3. With respect to the remuneration of the accounting auditor, the Audit Committee, after obtaining the necessary materials and reports from the directors, relevant internal departments and the accounting auditor, verified the results of previous activities of the accounting auditor, and conducted necessary verification and deliberation on the appropriateness of the activity plan of the accounting auditor for the current fiscal year and the basis for calculating the remuneration estimate, determined that these are appropriate and, as a result, gave its consent under Article 399, Paragraph 1 of the Companies Act with respect to the amount of remuneration, etc. of the accounting auditor.
 4. The Company commissions and pays an accounting auditor for "advisory services on accounting standards," which are services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(iii) Policies for determination of dismissal or refusal of reelection

The Audit Committee shall dismiss the accounting auditor with the unanimous consent of all members if it is reasonably anticipated that the audit of the financial statements will be seriously impaired for any of the reasons specified in each item of Article 340, Paragraph 1 of the Companies Act or for any other reason. In addition, the Audit Committee may submit a proposal for non-reappointment of the accounting auditor to the General Meeting of Shareholders if it determines that the system for execution of duties, auditing ability, expertise, etc. of the accounting auditor is insufficient for the Company, or that a more appropriate auditing system can be established for the Company by replacing the accounting auditor. The Audit Committee will submit a proposal for non-reappointment of the accounting auditor to the General Meeting of Shareholders..

(4) Systems to Ensure the Appropriateness of Business Activities and Status of Operations of the Systems

1. Systems to ensure that the performance of the duties of Directors and employees of the Company and its subsidiaries (hereafter, the “Group”) conforms to laws and regulations and the Articles of Incorporation
 - (a) The Company shall establish the NITORI Group Code of Conduct and thoroughly familiarize all officers and employees with this so that officers and employees of the Group perform their duties in compliance with laws and regulations and the Articles of Incorporation and fulfil their social responsibility and exercise corporate ethics.
 - (b) The Company shall appoint an officer in charge of compliance and establish a department in charge of compliance. The department in charge of compliance periodically shall formulate a compliance program from a groupwide perspective and implement this program.
 - (c) The Company shall have its officers and employees increase knowledge about compliance and raise awareness of respecting compliance through initiatives such as providing compliance training to officers and employees of the Group and preparing and distributing a compliance manual.
 - (d) The Company shall ensure that employees of the Group have a means of directly reporting doubts about practices that are not in accordance with laws and regulations and shall establish and operate a whistleblowing hotline supported by outside lawyers as one such means.
 - (e) To eliminate antisocial forces, the Company shall develop a response policy, etc. within the Group and put a system in place and thoroughly familiarize all officers and employees with the system.
2. System to store and manage information about the Directors’ performance of their duties
 - (a) Directors shall prepare important documents about performance of their duties and properly store and manage information based on internal regulations and in accordance with their respective duties.
 - (b) Documents about important decisions and reports shall be prepared, stored and destroyed appropriately in accordance with the Document Handling Regulations.
3. System to report matters regarding the execution of duties by the Directors, etc. of subsidiaries to the Company
 - (a) The Company shall require each Group company to report periodically to the Company on its operating results, financial position and other important matters through reports, etc. at the Company’s Board of Directors meetings.
 - (b) In the event of a situation at any Group company that might cause serious damage to that company, the Director, etc. of the respective Group company shall report immediately to the Company’s officer in charge of risk management and relevant departments at the Company.
4. Regulations and other systems to manage the risk of loss of the Group
 - (a) The Company shall appoint an officer in charge of risk management and establish a department in charge of risk management. The department in charge of risk management shall establish the Risk Management Regulations, and develop and operate a system to assess and manage risks from a groupwide perspective.
 - (b) Each of the Company’s departments and Group companies shall manage their own risks and the head of each of the Company’s departments and the president of each Group company shall report on the status of risk management periodically to the Risk Compliance Committee.
5. Systems to ensure the effective and efficient execution of duties by the Group’s Directors
 - (a) Based on a medium-term management plan, which clarifies targets for the entire Group to be achieved as a company, the Company shall clarify performance targets for each Director of the Group and clearly set out how Directors will be evaluated.
 - (b) The Company shall break down the system of execution of duties of each department to clarify responsibility for performance within the Group and also seek to improve human capital efficiency through the use of specialists.
 - (c) The Company shall seek to speed up the decision-making through simplifying its process while at the same time ensuring a careful decision-making process on important matters through discussions at the In-house Directors meeting to be held a collegial basis. The Company shall also require each Group company to follow the same practice.
 - (d) The Company shall develop intra-group transaction standards to maintain fairness in intra-group transactions and endeavor to have each Group company conduct such transactions in an appropriate manner.

6. Matters regarding Directors and employees who are assigned to assist the duties of the Audit & Supervisory Committee, matters regarding the independence of such Directors and employees from other Directors (excluding Directors who are Audit & Supervisory Committee Members), and matters for ensuring the effectiveness of the Audit & Supervisory Committee's instructions to such Directors and employees
 - (a) When the Audit & Supervisory Committee requires employees to assist it in its duties, the Company shall assign the necessary number of staff members to assist the Audit & Supervisory Committee.
 - (b) In the event that the Company assigns staff members to assist the duties of the Audit & Supervisory Committee, it shall obtain the consent of the Audit & Supervisory Committee for the personnel authority of such staff members including job assignment and evaluation to ensure their independence.
 - (c) Employees who are assigned to assist the duties of the Audit & Supervisory Committee shall follow the directions and orders of the Audit & Supervisory Committee.
7. System through which Directors (excluding Directors who are Audit & Supervisory Committee Members), Corporate Auditors and employees, etc. of the Group or persons who have received reports therefrom make reports to the Company's Audit & Supervisory Committee and system to ensure that persons who made reports to the Audit & Supervisory Committee do not suffer disadvantageous treatment for having made such reports
 - (a) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees, etc. of the Group shall make reports as necessary at the Board of Directors meeting on the status of execution of their duties and shall also promptly make appropriate reports when asked to make reports by the Company's Audit & Supervisory Committee.
 - (b) Directors (excluding Directors who are Audit & Supervisory Committee Members), Corporate Auditors and employees, etc. of the Group who have discovered a fact that might cause serious damage to the Company or the Group such as a violation of laws and regulations shall make a report immediately to the Company's Audit & Supervisory Committee, either directly or through the relevant department, for example, the department in charge of internal audits.
 - (c) The department in charge of internal audits shall carry out audits of the Group periodically and report the audit results as necessary to the Company's Audit & Supervisory Committee.
 - (d) The department in charge of the whistleblowing hotline shall report on its operation status and details of whistleblowing reports, etc. as necessary to the Company's Audit & Supervisory Committee.
 - (e) The Group shall prohibit the dismissal or other disadvantageous treatment of persons who made a report to the Audit & Supervisory Committee or persons who made a whistleblowing report to the whistleblowing hotline on the grounds that they made such report or whistleblowing report; the Group shall stipulate to this effect in its internal regulations and thoroughly familiarize all officers and employees with this matter.
8. Matters regarding procedural policies for prepayments or reimbursement of expenses arising in relation to the execution of duties by Audit & Supervisory Committee Members and other processing of expenses or obligations arising in relation to the execution of duties by Audit & Supervisory Committee Members
 - (a) The Audit & Supervisory Committee Members may seek the opinion of lawyers, certified public accountants, certified public tax accounts and other experts when deemed necessary for execution of their duties, and may claim these expenses from the company. In addition, if an Audit & Supervisory Committee Member has requested the prepayment of expenses in relation to the execution of his or her duties, the Company shall bear such expenses unless deemed unnecessary for the execution of duties by such Audit & Supervisory Committee Member.
9. Other systems to ensure that audits by the Audit & Supervisory Committee are performed effectively
 - (a) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees shall deepen their understanding of audits by the Audit & Supervisory Committee and endeavor to develop an environment for audits by the Audit & Supervisory Committee, and the full-time Audit & Supervisory Committee Member shall attend important meetings such as In-house Directors meeting.
 - (b) The Audit & Supervisory Committee shall exchange opinions periodically with the Representative Directors and seek to communicate with them appropriately and execute audit operations effectively.
 - (c) The Audit & Supervisory Committee shall be afforded the opportunity to obtain advice from lawyers and certified public accountants where necessary for the execution of its audit operations.

The following is an outline of the status of operations of internal control systems within the Group implemented in the fiscal year under review based on the systems to ensure the appropriateness of business activities described above.

The Company reports to the Board of Directors periodically on the status of operations of the systems to ensure the appropriateness of business activities and makes revisions as necessary.

1. Status of initiatives for compliance

The Company sought to strengthen the Group's internal control systems by providing compliance training according to each company's business format and role, periodically distributed information on the intranet, etc. to share information and raise awareness internally about amendments to laws relevant to operations, and otherwise sought to raise compliance awareness. Furthermore, the Company formulated the NITORI Group Code of Conduct, which reflects recent social developments and values, as a means of indicating the Group's corporate stance. The Company translated the code into many languages and engaged in activities to instill it and raise awareness about it across the entire Group. In addition, the Company established various policies based on the Code of Conduct including the Human Rights Policy, Anti-corruption Policy, Policy on Customer Harassment and Procurement Policy, and sought to raise awareness about each of these policies. For overseas subsidiaries, in addition to training on the laws and regulations of each country delivered by legal experts and activities to raise awareness about the foregoing, the Company held the Global Administration Departments meetings to share risk information specific to overseas operations and share information about changes to laws. In particular, the company has ensured that the legal and compliance training provided by the Company to the Company's overseas subsidiaries is converted into video format and shared with employees who may be assigned to those subsidiaries in the future.

The Company has also established internal and external whistleblowing disclosure hotlines in accordance with the provisions of the Group Whistleblowing Regulations. Through periodic internal newsletters, surveys and other means, the Company has sought to raise awareness of the whistleblowing hotline, thereby implementing whistleblowing measures covering overseas subsidiaries, and increased the effect of early detection of issues and improvement measures.

2. Status of initiatives for ensuring that duties are executed appropriately and efficiently

The Company holds the In-house Directors meeting every week to deliberate matters in advance to expedite decision-making at the Board of Directors meeting. At the Board of Directors meeting, Directors including Outside Directors held lively discussions and had a lively exchange of opinions when deliberating proposals or when the status of execution of duties was reported. Furthermore, the Company sought to delegate authority for decisions on key aspects of important business execution to the Representative Directors. Through such measures, the Company believes that the appropriateness and efficiency of decision-making and the effectiveness of supervision (monitoring) was ensured. As for reports on the operating results, financial position and other important matters of each Group company, the Company appropriately supervised the status of execution of duties by Directors, etc. at each Group company by setting operational targets to be achieved by each company and then requiring each Group company to report periodically to the Company's Board of Directors.

3. Status of initiatives for the management of risk of loss

The Company has formulated regulations on risk management and a business continuity plan (BCP) to minimize losses or disadvantages suffered by the Group and has developed a risk management system center on the Risk Compliance Committee. In accordance with the business continuity plan (BCP), the Company conducted a range of drills, and the Risk Compliance Committee, which meets every month, also promoted subcommittee activities for each individual material risk determined by the Board of Directors to review the risk prevention system, strengthen the training system and implement measures to address new issues, thus strengthening the Group's risk management system.

4. Status of initiatives for ensuring effective audits by the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee held both regular and ad hoc meetings to exchange information about audits, and the full-time Audit & Supervisory Committee Member attended the In-house Directors meetings, meetings to discuss progress on issues and other important meetings. As regards compliance and the status of development of internal control, audit results were shared regularly with internal control operations and the internal control system was used to conduct audits. The Company also ensured the effectiveness of audits by appointing full-time employees to assist audit operations in accordance with the instructions of the Audit & Supervisory Committee. In addition, the Company's Audit & Supervisory Committee conducts regular meetings with the Representative Director and the Accounting Auditor, exchanging opinions necessary for audits as well as gathering information across a wide range.

(5) Basic Policy Regarding Control of the Company

In light of the "Basic Policy Regarding Control of the Company" formulated based on the Company's Corporate Philosophy, Corporate Governance Policy, Code of Corporate Conduct and Management Strategy, and as one of the measures to prevent decisions on the Company's financial and business policies from being controlled by inappropriate parties, the Company has introduced "Countermeasures for Large-Scale Acquisitions of the Company's Shares" (hereinafter referred to as "Anti-Takeover Measures") based on a resolution at the Company's Annual General Meeting of Shareholders to be held on May 17, 2007.

However, since the introduction of the Anti-Takeover measures, the Board of Directors has repeatedly discussed the pros and cons of their continuation, taking into consideration the opinions of institutional investors and other shareholders, recent trends in takeover defense measures, and changes in the environment, including the spread of the Corporate Governance Code. As a result of these discussions, the Company has determined that the need for takeover defense measures in the Company has relatively decreased and has abolished Anti-takeover measures as of the close of the 47th Annual General Meeting of Shareholders to be held on May 16, 2019.

We will continue to take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act, and other applicable laws and regulations, such as requesting that any person who intends to make a large-scale acquisition of our shares provide necessary and sufficient information for our shareholders to make an appropriate judgment as to whether or not the acquisition is appropriate, and disclosing the opinions of our Board of Directors to ensure that our shareholders have the time and information necessary to consider the acquisition and will continue to strive to enhance corporate value and ensure the common interests of shareholders.

(6) Policy on exercise of authority when the Articles of Incorporation provide that the Board of Directors shall determine the dividends of surplus

The Company considers it an important management policy to pay stable dividends in the future in response to the trust of its shareholders. It is our policy to use retained earnings for effective investment to further enhance and strengthen our management base to cope with the expected intensification of competition in the retail industry.

Regarding the year-end dividend for the fiscal year ending March 31, 2025, in appreciation of the ongoing support from our shareholders and to respectfully request your continued support in the future, as well as part of our commitment to returning profits, the company has resolved to set the year-end dividend at 76 yen per share. This amount is the same as our most recent dividend forecast.

The Company paid an interim dividend of 76 yen per share in the first half of the fiscal year, this will bring the annual dividend for the fiscal year under review to 152 yen per share.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 137,943 | 161,923 |
| Notes and accounts receivable – trade | 79,247 | 71,871 |
| Merchandise and finished goods | 101,206 | 110,054 |
| Work in process | 520 | 588 |
| Raw materials and supplies | 6,802 | 7,571 |
| Other | 22,018 | 18,828 |
| Allowance for doubtful accounts | (2) | (3) |
| Total current assets | 347,736 | 370,834 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 490,324 | 530,828 |
| Accumulated depreciation | (234,477) | (250,840) |
| Buildings and structures, net | 255,847 | 279,987 |
| Machinery, equipment and vehicles | 25,531 | 37,147 |
| Accumulated depreciation | (16,072) | (19,790) |
| Machinery, equipment and vehicles, net | 9,458 | 17,357 |
| Tools, furniture and fixtures | 34,037 | 35,796 |
| Accumulated depreciation | (20,237) | (21,869) |
| Tools, furniture and fixtures, net | 13,799 | 13,926 |
| Land | 403,228 | 466,231 |
| Leased assets | 4,408 | 4,405 |
| Accumulated depreciation | (3,163) | (3,390) |
| Leased assets, net | 1,244 | 1,014 |
| Right of use assets | 18,632 | 22,633 |
| Accumulated depreciation | (6,637) | (6,356) |
| Right of use assets, net | 11,995 | 16,276 |
| Construction in progress | 41,323 | 27,948 |
| Total property, plant and equipment | 736,897 | 822,743 |
| Intangible assets | | |
| Goodwill | 17,060 | 14,501 |
| Software | 4,128 | 4,808 |
| Software in progress | 3,463 | 4,430 |
| Leasehold interests in land | 6,406 | 6,235 |
| Other | 102 | 101 |
| Total intangible assets | 31,162 | 30,077 |
| Investments and other assets | | |
| Investment securities | 42,439 | 46,091 |
| Long-term loans receivable | 520 | 496 |
| Guarantee deposits | 16,646 | 14,921 |
| Leasehold deposits | 30,982 | 31,404 |
| Deferred tax assets | 21,513 | 23,405 |
| Other | 10,851 | 10,693 |
| Allowance for doubtful accounts | (72) | (38) |
| Total investments and other assets | 122,882 | 126,976 |
| Total non-current assets | 890,942 | 979,796 |
| Total assets | 1,238,679 | 1,350,631 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable – trade | 48,294 | 40,051 |
| Short-term borrowings | 107,557 | 173,138 |
| Lease obligations | 1,895 | 2,809 |
| Accounts payable – other | 45,933 | 27,750 |
| Income taxes payable | 20,366 | 21,964 |
| Contract liabilities | 29,091 | 30,538 |
| Provision for bonuses | 6,604 | 6,534 |
| Provision for point card certificates | 11 | 11 |
| Provision for shareholder benefit program | 318 | 455 |
| Other | 16,264 | 16,522 |
| Total current liabilities | 276,336 | 319,775 |
| Non-current liabilities | | |
| Long-term borrowings | 30,000 | 20,000 |
| Lease liabilities | 4,519 | 7,074 |
| Provision for retirement benefits for directors (and other officers) | 145 | 145 |
| Retirement benefit liability | 5,558 | 5,104 |
| Asset retirement obligations | 14,748 | 22,467 |
| Other | 11,061 | 10,711 |
| Total non-current liabilities | 66,033 | 65,502 |
| Total liabilities | 342,370 | 385,278 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 13,370 | 13,370 |
| Capital surplus | 30,715 | 30,715 |
| Retained earnings | 841,541 | 901,706 |
| Treasury shares | (10,113) | (10,118) |
| Total shareholders' equity | 875,513 | 935,673 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,711 | 7,015 |
| Deferred gains or losses on hedges | - | (1,169) |
| Foreign currency translation adjustment | 15,816 | 22,705 |
| Remeasurements of defined benefit plans | 262 | 1,127 |
| Total accumulated other comprehensive income | 20,790 | 29,678 |
| Non-controlling interests | 4 | - |
| Total net assets | 896,308 | 965,352 |
| Total liabilities and net assets | 1,238,679 | 1,350,631 |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|--|--|
| Net sales | 895,799 | 928,950 |
| Cost of sales | 439,850 | 455,378 |
| Gross profit | 455,949 | 473,572 |
| Selling, general and administrative expenses | 328,223 | 353,199 |
| Operating profit | 127,725 | 120,372 |
| Non-operating income | | |
| Interest income | 1,323 | 1,315 |
| Dividend income | 521 | 555 |
| Foreign exchange gains | 680 | 1,031 |
| Share of profit of entities accounted for using equity method | 542 | 1,736 |
| Subsidy income | 180 | 231 |
| Vending machine income | 341 | 353 |
| Gain on sales of goods | 281 | 381 |
| Other | 1,477 | 1,752 |
| Total non-operating income | 5,349 | 7,358 |
| Non-operating expenses | | |
| Interest expenses | 521 | 973 |
| Other | 176 | 538 |
| Total non-operating expenses | 697 | 1,512 |
| Ordinary profit | 132,377 | 126,218 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1,784 | 35 |
| Total extraordinary income | 1,784 | 35 |
| Extraordinary losses | | |
| Loss on liquidation of subsidiaries and associates | - | 635 |
| Loss on sale and retirement of non-current assets | 25 | 392 |
| Impairment losses | 10,230 | 11,019 |
| Loss on change in equity | 0 | 3 |
| Total extraordinary losses | 10,257 | 12,051 |
| Profit before income taxes | 123,904 | 114,201 |
| Income taxes – current | 39,293 | 40,024 |
| Income taxes – deferred | (1,912) | (2,708) |
| Total income taxes | 37,381 | 37,315 |
| Profit | 86,523 | 76,886 |
| Loss attributable to non-controlling interests | - | (4) |
| Profit attributable to owners of parent | 86,523 | 76,891 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|--|--|
| Profit | 86,523 | 76,886 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,941 | 2,304 |
| Deferred gains or losses on hedges | 1,829 | (1,169) |
| Foreign currency translation adjustment | 3,337 | 6,888 |
| Remeasurements of defined benefit plans, net of tax | 298 | 864 |
| Total other comprehensive income | 8,407 | 8,888 |
| Comprehensive income | 94,931 | 85,774 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 94,931 | 85,778 |
| Comprehensive income attributable to non-controlling interests | - | (4) |