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(Securities code 8173)

June 3, 2025

Start date of measures for electronic provision: June 2, 2025

**To Shareholders with Voting Rights:**

Ryuhei Kanatani  
Representative Director, President  
and Executive Officer  
Joshin Denki Co., Ltd.  
6-5, Nipponbashi-nishi 1-chome,  
Naniwa-ku, Osaka City, Japan

**NOTICE OF  
THE 77TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 77th Annual General Meeting of Shareholders (the “Meeting”) of Joshin Denki Co., Ltd. (the “Company,” together with its subsidiaries, the “Group”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information described in the Reference Documents for the General Meeting of Shareholders electronically (matters for electronic provision). These matters are posted on the following websites. Please access either of the websites to review the information.

The Company’s website (Annual General Meeting of Shareholders page):  
<https://www.joshin.co.jp/en/ir/meeting.html>

Tokyo Stock Exchange, Inc. website (TSE Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the above TSE website, search for the Company either by entering “Joshin Denki” in the “Issue name (company name)” bar or the Company’s securities code “8173” in the “Code” bar, and select “Basic information” followed by “Documents for public inspection/PR information” in order to review the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

Takara Printing website (Annual General Meeting of Shareholders page): <https://s.srdb.jp/8173/>  
(Available in Japanese only)

If you are unable to attend the meeting, you can exercise your voting rights either via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders described in the matters for electronic provision, and exercise your voting rights by 5:00 p.m. Japan time on Monday, June 23, 2025.

- 1. Date and time:** Tuesday, June 24, 2025 at 10:00 a.m. Japan time
- 2. Venue:** Banquet room Snowberry, 21F of the Hotel Monterey Grasmere Osaka at 2-3, Minatomachi 1-chome, Naniwa-ku, Osaka City, Japan
- 3. Meeting agenda:**
- Matters to be reported:**
1. Business report, consolidated financial statements and non-consolidated financial statements for the 77th fiscal year (April 1, 2024 - March 31, 2025)
  2. The results of audits of the consolidated financial statements for the 77th fiscal year by the accounting auditor and the Board of Auditors

**Proposals to be resolved:**

- Proposal 1:** Distribution of Surplus
- Proposal 2:** Partial Amendment to the Articles of Incorporation (Change of Trade Name)
- Proposal 3:** Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)
- Proposal 4:** Election of Five (5) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 5:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 6:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
- Proposal 7:** Determination of the Total Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 8:** Determination of the Total Amount of Remuneration for Directors who are Audit and Supervisory Committee Members
- Proposal 9:** Determination of the Amount and Details of Performance-Linked Stock Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Following an amendment to the Companies Act, the Company has decided, in principle, to ask shareholders to access the above-mentioned Company website to review matters subject to electronic provision (such as reference documents for the General Meeting of Shareholders). Shareholders who have not requested a paper copy by the record date stipulated by laws and regulations (March 31) will be sent a summary version of the documents.
  - If there are any revisions to the matters subject to electronic provision, details of the revisions will be posted on each of the designated websites.
  - Among the matters subject to electronic provision, the following are not included in the documents sent to shareholders who have requested a paper copy, in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation. The Board of Auditors and the accounting auditor have audited the documents subject to audit, including the following matters.
    - 1) "System and Operational Status to Ensure the Appropriateness of Operations" and "Basic Policy Regarding Control of the Company" in the Business Report
    - 2) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
    - 3) "Non-consolidated Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
  - In the future, if there are any major changes to the operation of the General Meeting of Shareholders, details will be posted on the Company's website. (<https://www.joshin.co.jp/en/ir.html>)
  - Please note that no commemorative gifts will be provided for shareholders at this General Meeting of Shareholders. We thank you for your understanding.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Distribution of Surplus

The Group recognizes that enhancing the return of profits to shareholders is one of its highest management priorities. Our basic policy is to maintain stable and continuous dividend payments, taking into consideration business results and the balance between dividends and internal reserves. In addition to this basic policy, the Group has established a target consolidated dividend payout ratio of 40% or higher.

Upon comprehensively taking into account factors such as the business results for the fiscal year under review, future business development, and the business environment, the Group proposes to pay the following year-end dividends for the fiscal year under review:

### Items Related to the Year-end Dividend

(1) Type of dividend property

Cash

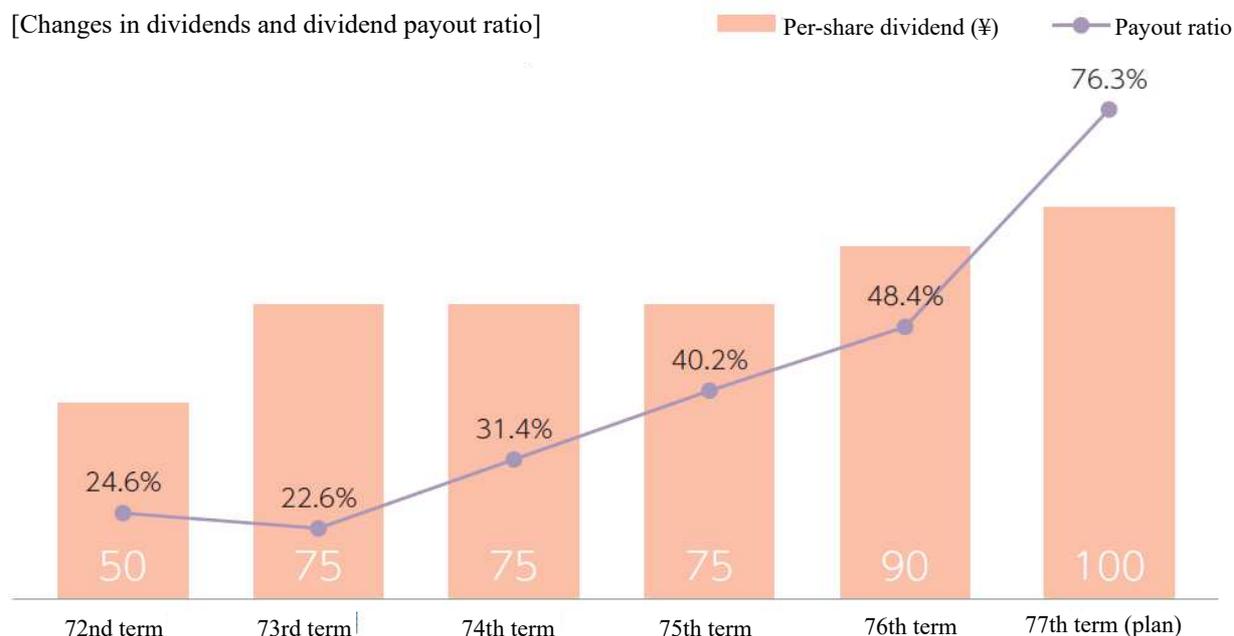
(2) Allotment of dividend property to shareholders and its total amount

100 yen per share of common stock at a total of 2,654,621,400 yen

(3) Effective date the dividend of surplus:

June 25, 2025

[Changes in dividends and dividend payout ratio]



**Proposal 2:** Partial Amendment of the Articles of Incorporation (Change of Trade Name)

1. Reasons for the proposal

Since the founding of the Company as a seller of parts for household electrical products in 1948, the Company has expanded into various business in response to the needs of customers of the times, including its transformation into home appliance specialty store and establishing a dedicated service department ahead of other companies. After adopting its current trade name of Joshin Denki Co., Ltd., the Company has continued to develop its business in order to provide safe and reliable products and services with a spirit of sincere, customer-centered service.

Based on the Company’s management philosophy of “Connecting the future of people and society with smiles” and management vision of “becoming a hub for the infrastructure of life through the power of home appliances and ICT (information and communication technology)”, the Company aims to create the two social values of “supporting and strengthening resilience in our aging society” and “achieving carbon neutrality in the home”, transcending the boundaries of “electrical appliances” to achieve a flexible organizational structure for achieving sustainable growth and improving the corporate value of the Company.

Removing “Denki” from the Company’s trade name would contribute to broadening the Company’s business development and creating an image of an organization that responds in a flexible manner to changes in the management environment. Further, to integrate the image of the brand and the trade name, Article 1 (Trade Name) of the current Articles of Incorporation shall be amended to change the Company’s trade name from “Joshin Denki Co., Ltd.” to “Kabushiki Kaisha Joshin (English: Joshin Corporation)”.

A supplementary provision to the Article to be amended in connection with the change in trade name shall be stipulated concerning the effective date of the change, which shall be April 1, 2026. The supplementary provision shall be deleted after the expiry of the said effective date.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Trade Name)                      Article 1 The name of the Company shall be “<u>Joshin Denki Kabushiki Kaisha</u>”, and shall be rendered in English as “<u>Joshin Denki Co., Ltd.</u>”</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Trade Name)                      Article 1 The name of the Company shall be “<u>Kabushiki Kaisha Joshin</u>”, and shall be rendered in English as “<u>Joshin Corporation</u>”.</p> <p><u>Supplementary Provision</u></p> <p><u>(Timing of Change to Trade Name)</u>                      Article 1 The amendment to Article 1 (Trade Name) shall take effect on <u>April 1, 2026</u>. This article shall be deleted after the expiry of the effective date of the amendment to Article 1 of the Articles of Incorporation.</p>

**Proposal 3:** Partial Amendment of the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)

1. Reasons for the proposal

(1) Transition to a Company with an Audit and Supervisory Committee

The Company wishes to transition to a Company with an Audit and Supervisory Committee to further improve the audit and supervision functions of the Board of Directors and further strengthen governance, as well as to enhance the fairness, transparency, and effectiveness of management through swift decision-making and business execution achieved by means of delegation of authority. As such, new provisions of the Articles of Incorporation relating to the Audit and Supervisory Committee and Audit and Supervisory Committee Members shall be established, and the provisions of the Articles of Incorporation relating to Auditors and the Board of Auditors shall be deleted.

(2) Addition of provisions relating to Executive Officers

In 2016, the Company introduced the Executive Officer system with the aim of achieving swift management decision-making and a stronger supervision function and business execution structure. The Articles of Incorporation concerning Executive Officers shall be added to incorporate provisions that stipulate the method for appointing Executive Officers and clarify their roles and responsibilities in the enhanced business execution structure resulting from the transition to a Company with an Audit and Supervisory Committee.

(3) Other consequential amendments to words resulting from the above-mentioned amendments and phrases requiring clarification.

This proposal shall take effect upon the conclusion of this general meeting of shareholders.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Organization)            Article 4 In addition to the general meeting of shareholders and the Directors, the Company shall establish the following organizations:            1. The Board of Directors            2. <u>Auditors</u>            3. <u>The Board of Auditors</u>            4. <u>The accounting auditor</u></p> <p>(Request for Sale of Fractional Units of Shares)            Article 9 Pursuant to the Share Handling Regulations, a shareholder of the Company who owns fractional units of shares may request that the Company sell them such number of shares that will, when combined with the fractional unit shares held by that shareholder, constitute one (1) unit of shares (hereinafter, the "Additional Purchase Request").            2. The period during which Additional Purchase Requests may be made, the method for submitting Additional Purchase Requests, and related matters shall be as prescribed in the Share Handling Regulations determined <u>at</u> the Board of Directors.</p>	<p>(Organization)            Article 4 In addition to the general meeting of shareholders and the Directors, the Company shall establish the following organizations:            1. The Board of Directors            2. <u>The Audit and Supervisory Committee</u>            (Deleted)            3. The accounting auditor</p> <p>(Request for Sale of Fractional Units of Shares)            Article 9 Pursuant to the Share Handling Regulations, a shareholder of the Company who owns fractional units of shares may request that the Company sell them such number of shares that will, when combined with the fractional unit shares held by that shareholder, constitute one (1) unit of shares (hereinafter, the "Additional Purchase Request").            2. The period during which Additional Purchase Requests may be made, the method for submitting Additional Purchase Requests, and related matters shall be as prescribed in the Share Handling Regulations determined <u>by</u> the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Manager of Shareholders' Register)</p> <p>Article 12 The Company shall appoint a manager for the shareholders' register.</p> <ol style="list-style-type: none"> <li>2. The selection of the manager of the shareholders' register and the location of its office shall be decided by resolution of the Board of Directors and announced by public notice.</li> <li>3. The preparation and safekeeping of the shareholders' register and the registry of stock acquisition rights and other duties concerning the registry of stock acquisition rights shall be entrusted to the manager of the shareholders' register and shall not be handled by the Company.</li> </ol>	<p>(Manager of Shareholders' Register)</p> <p>Article 12 The Company shall appoint a manager for the shareholders' register.</p> <ol style="list-style-type: none"> <li>2. The selection of the manager of the shareholders' register and the location of its office shall be decided by resolution of the Board of Directors <u>or by a decision of Directors to whom the Board of Directors has delegated this responsibility</u> and announced by public notice.</li> <li>3. The preparation and safekeeping of the shareholders' register and the registry of stock acquisition rights and other duties concerning the registry of stock acquisition rights shall be entrusted to the manager of the shareholders' register and shall not be handled by the Company.</li> </ol>
<p>(Convenor and Chairman)</p> <p>Article 15 Except where otherwise stipulated by laws and regulations, the general meeting of shareholders shall be convened by <u>the President</u> pursuant to a resolution of the Board of Directors, and the Chairman of the Board shall serve as the Chairman of the general meeting of shareholders.</p> <ol style="list-style-type: none"> <li>2. In the event the <u>President</u> is unable to act, another Director, determined in accordance with the order of priority determined in advance by the Board of Directors, shall convene the general meeting of shareholders and serve as Chairman thereof.</li> </ol>	<p>(Convenor and Chairman)</p> <p>Article 15 Except where otherwise stipulated by laws and regulations, the general meeting of shareholders shall be convened by <u>a Director appointed in advance by the Board of Directors</u> pursuant to a resolution of the Board of Directors, and <u>such Director</u> shall serve as the Chairman of the general meeting of shareholders.</p> <ol style="list-style-type: none"> <li>2. In the event the <u>Director mentioned in the preceding item</u> is unable to act, another Director, determined in accordance with the order of priority determined in advance by the Board of Directors, shall convene the general meeting of shareholders and serve as Chairman thereof.</li> </ol>
<p>Chapter 4 Directors and Board of Directors</p> <p>(Number of Directors)</p> <p>Article 19 The Company shall have no more than <u>fifteen (15)</u> Directors.</p> <p>(Newly established)</p>	<p>Chapter 4 Directors and Board of Directors, <u>etc.</u></p> <p>(Number of Directors)</p> <p>Article 19 The Company shall have no more than <u>seven (7) Directors (excluding Directors serving as Audit and Supervisory Committee Members).</u></p> <ol style="list-style-type: none"> <li>2. <u>The Company shall have no more than five (5) Directors serving as Audit and Supervisory Committee Members.</u></li> </ol>

Current Articles of Incorporation	Proposed Amendments
<p>(Election of Directors)  Article 20 Directors shall be elected at the general meeting of shareholders.</p> <p>2. Resolutions for the election of Directors shall require a majority vote of the shareholders present who hold voting rights representing in the aggregate one third (1/3) or more of the total number of voting rights of all the shareholders entitled to vote.</p> <p>3. Resolutions for the election of Directors shall not be made by cumulative voting.</p>	<p>(Election of Directors)  Article 20 Directors shall be elected at the general meeting of shareholders, <u>and the election shall distinguish between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. Resolutions for the election of Directors shall require a majority vote of the shareholders present who hold voting rights representing in the aggregate one third (1/3) or more of the total number of voting rights of all the shareholders entitled to vote.</p> <p>3. Resolutions for the election of Directors shall not be made by cumulative voting.</p>
<p>(Term of Office of Directors)  Article 21 The term of office of Directors shall expire at the close of the annual general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p>	<p>(Term of Office of Directors)  Article 21 The term of office of Directors (<u>excluding Directors serving as Audit and Supervisory Committee Members</u>) shall expire at the close of the annual general meeting of shareholders held in respect of the last business year ending within one (1) year after their election.</p>
<p>(Newly established)</p>	<p><u>2. The term of office of Directors serving as Audit and Supervisory Committee Members shall expire at the close of the annual general meeting of shareholders held in respect of the last business year ending within two (2) years of their election.</u></p>
<p>(Newly established)</p>	<p><u>3. The term of office of a substitute Director serving as Audit and Supervisory Committee Member elected to take the place of a Director serving as Audit and Supervisory Committee Member who retired before the expiry of his/her term shall be the remaining term of office of his/her predecessor.</u></p>
<p>(Newly established)</p>	<p><u>4. The effective duration of a resolution for the election of substitute Directors serving as Audit and Supervisory Committee Members pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the close of the annual general meeting of shareholders held in respect of the last business year ending within two (2) years of the election, unless abridged by the said resolution.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Convenor and Chairman of Board of Directors' Meetings)  Article 22 Except where otherwise stipulated by laws and regulations, Board of Directors' meetings shall be convened by <u>the President</u>, who shall serve as Chairman of the Board of Directors' meetings.</p> <p>2. In the event the <u>President</u> is unable to act, another Director, determined in accordance with the order of priority determined in advance by the Board of Directors, shall convene the Board of Directors' meetings and serve as Chairman thereof.</p> <p>(Notice of Board of Directors' Meetings)  Article 23 Notice of convocation of Board of Directors' meetings shall be delivered to each Director <u>and each Auditor</u> at least three (3) days in advance of the meeting; provided, however, that such notice period may be abridged in the event of an emergency.</p> <p>(Method of Adopting Resolutions of the Board of Directors)  Article 24 Resolutions of the Board of Directors shall be adopted by a majority vote at meetings attended by a majority <u>of the Directors</u>.</p> <p>(Omission of Resolutions of the Board of Directors)  Article 25 The Company deems proposals of the Board of Directors to which all the Directors consent in writing or in electronic format as proposals that have been approved by resolution of the Board of Directors; <u>provided, however, that this shall not apply where an Auditor raises an objection to the matter.</u></p> <p style="text-align: center;">(Newly established)</p> <p>(Board of Directors Regulations)  Article <u>26</u> (Omitted)</p>	<p>(Convenor and Chairman of Board of Directors' Meetings)  Article 22 Except where otherwise stipulated by laws and regulations, Board of Directors' meetings shall be convened by <u>a Director appointed in advance by the Board of Directors</u>, who shall serve as Chairman of the Board of Directors' meetings.</p> <p>2. In the event the <u>Director mentioned in the preceding item</u> is unable to act, another Director, determined in accordance with the order of priority determined in advance by the Board of Directors, shall convene the Board of Directors' meetings and serve as Chairman thereof.</p> <p>(Notice of Board of Directors' Meetings)  Article 23 Notice of convocation of Board of Directors' meetings shall be delivered to each Director at least three (3) days in advance of the meeting; provided, however, that such notice period may be abridged in the event of an emergency.</p> <p>(Method of Adopting Resolutions of the Board of Directors)  Article 24 Resolutions of the Board of Directors shall be adopted by a majority vote at meetings attended by a majority <u>of the Directors who are entitled to participate in the resolutions in question.</u></p> <p>(Omission of Resolutions of the Board of Directors)  Article 25 The Company deems proposals of the Board of Directors to which all the Directors consent in writing or in electronic format as proposals that have been approved by resolution of the Board of Directors.</p> <p>(Delegation to Directors)  <u>Article 26 The Company may delegate decisions regarding the execution of important business to Directors by resolution pursuant to Article 399-13, Paragraph 6 of the Companies Act (excluding, however, the matters listed in Paragraph 5 of the said provision of the Companies Act).</u></p> <p>(Board of Directors Regulations)  Article <u>27</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors and Directors with Special Titles)</p> <p>Article <u>27</u> The Board of Directors shall appoint Representative Directors by way of Board of Directors' resolutions.</p> <p>2. The Board of Directors may appoint one (1) Chairman, <u>one (1) President, and multiple Vice Presidents, Senior Managing Directors, and Managing Directors</u> by way of Board of Directors' resolutions.</p> <p>3. <u>The Board of Directors may appoint Senior Advisors and Advisors by way of Board of Directors' resolutions.</u></p> <p>(Directors' Compensation, etc.)</p> <p>Article <u>28</u> Directors' compensation, bonuses, and other property interests granted by the Company as consideration for executing their duties (<u>hereinafter, the "Compensation, etc."</u>) shall be decided by resolution of the general meeting of shareholders.</p> <p>(Agreements on Limitation of Liabilities with Outside Directors)</p> <p>Article <u>29</u> (Omitted)</p> <p>(Newly established)</p>	<p>(Representative Directors and Directors with Special Titles)</p> <p>Article <u>28</u> The Board of Directors shall appoint Representative Directors <u>from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members)</u> by way of Board of Directors' resolutions.</p> <p>2. The Board of Directors may appoint one (1) Chairman <u>from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members)</u> by way of Board of Directors' resolutions. (Deleted)</p> <p>(Directors' Compensation, etc.)</p> <p>Article <u>29</u> Directors' compensation, bonuses, and other property interests granted by the Company as consideration for executing their duties shall be decided by resolution of the general meeting of shareholders, <u>and shall distinguish between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Agreements on Limitation of Liabilities with Outside Directors)</p> <p>Article <u>30</u> (Unchanged)</p> <p>(Executive Officers)</p> <p>Article <u>31</u> <u>The Company may, by way of a resolution of the Board of Directors, appoint Executive Officers as persons responsible for various areas of the Company's business.</u></p> <p>2. <u>The Company may, by way of a resolution of the Board of Directors, elect from among its Executive Officers one (1) President and Executive Officer and multiple Vice President and Executive Officers, Senior Managing Executive Officers, and Managing Executive Officers.</u></p> <p>3. <u>Matters concerning Executive Officers shall be governed in accordance with the Executive Officers Rules determined by the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5 <u>Auditors and Board of Auditors</u></p> <p><u>(Number of Auditors)</u>  <u>Article 30 The Company shall have no more than five (5) Auditors.</u></p> <p><u>(Election of Auditors)</u>  <u>Article 31 Auditors shall be elected at the general meeting of shareholders.</u>  <u>2. Resolutions for the election of Auditors shall require a majority vote of the shareholders present who hold voting rights representing in the aggregate one third (1/3) or more of the total number of voting rights of all the shareholders entitled to vote.</u></p> <p><u>(Term of Office of Auditors)</u>  <u>Article 32 The term of office of Auditors shall expire at the close of the annual general meeting of shareholders held in respect of the last business year ending within four (4) years after their election.</u>  <u>2. The term of office of a substitute Auditor elected to take the place of an Auditor who retired before the expiry of his/her term shall be the remaining term of office of his/her predecessor.</u></p> <p><u>(Full-time Auditors)</u>  <u>Article 33 The Board of Auditors shall elect full-time Auditors by way of Board of Auditors' resolutions.</u></p> <p><u>(Notice of Board of Auditors' Meetings)</u>  <u>Article 34 Notice of convocation of Board of Auditors' meetings shall be delivered to each Auditor at least three (3) days in advance of the meeting; provided, however, that such notice period may be abridged in the event of an emergency.</u></p> <p><u>(Method of Adopting Resolutions of the Board of Auditors)</u>  <u>Article 35 Resolutions of the Board of Auditors shall be adopted by a majority vote of the Auditors, except where otherwise stipulated by laws and regulations.</u></p>	<p>Chapter 5 <u>Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p><u>(Notice of Audit and Supervisory Committee Meetings)</u>  <u>Article 32 Notice of convocation of Audit and Supervisory Committee meetings shall be delivered to each Audit and Supervisory Committee Member at least three (3) days in advance of the meeting; provided, however, that such notice period may be abridged in the event of an emergency.</u></p> <p><u>(Method of Adopting Resolutions of the Audit and Supervisory Committee)</u>  <u>Article 33 Resolutions of the Audit and Supervisory Committee shall be adopted by a majority vote at meetings attended by a majority of the Audit and Supervisory Committee Members who are entitled to participate in the resolutions in question.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Board of Auditors Regulations)</u>  Article <u>36</u> Matters concerning the <u>Board of Auditors</u> shall be governed by the <u>Board of Auditors</u> Rules determined by the <u>Board of Auditors</u>, in addition to the rules stipulated by laws and regulations and the Articles of Incorporation.</p>	<p><u>(Audit and Supervisory Committee Regulations)</u>  Article <u>34</u> Matters concerning the <u>Audit and Supervisory Committee</u> shall be governed by the <u>Audit and Supervisory Committee</u> Rules determined by the <u>Audit and Supervisory Committee</u>, in addition to the rules stipulated by laws and regulations and the Articles of Incorporation.</p>
<p><u>(Auditors' Compensation, etc.)</u>  Article <u>37</u> <u>Auditors' Compensation, etc. shall be decided by resolution of the general meeting of shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Agreements on Limitation of Liabilities with Outside Auditors)</u>  Article <u>38</u> Pursuant to Article 427, Paragraph 1 of the <u>Companies Act, the Company may enter into an agreement with an Outside Auditor to limit his/her liability for damages as defined in Article 423, Paragraph 1 of the said Act; provided, however, that the maximum limit on liability under such agreement shall not be less than the lowest amount prescribed under laws and regulations.</u></p>	<p>(Deleted)</p>
<p>Article <u>39</u> to Article <u>42</u> (Omitted)</p>	<p>Article <u>35</u> to Article <u>48</u> (Unchanged)</p>

**Proposal 4:** Election of Five (5) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Subject to approval of Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee),” the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the terms of office of all current Directors (nine Directors) will expire at the conclusion of this Meeting. The Company proposes therefore the election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The proposal shall become effective subject to the effectiveness of the amendment to the Articles of Incorporation set forth in Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)”

The candidates for Directors (Excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Gender	Age	Years in office as Director	Current positions and responsibilities at the Company		Attendance at the Board of Directors meetings
					Duties of the Committee	Current positions and responsibilities at the Company	
1	Ryuhei Kanatani [Reappointment]	Male	69	27	Nomination and Compensation Committee Member	Representative Director President and Executive Officer	18/18 (100%)
2	Tetsuya Takahashi [Reappointment]	Male	62	8	Nomination and Compensation Committee Member	Representative Director Vice President and Executive Officer in charge of Sales Strategy	18/18 (100%)
3	Keiko Yamahira [Reappointment] [Outside] [Independent]	Female	64	6	Nomination and Compensation Committee Member Effectiveness Evaluation Committee Member	Outside Director	18/18 (100%)
4	Junko Kawano [Reappointment] [Outside] [Independent]	Female	61	4	Nomination and Compensation Committee Member Effectiveness Evaluation Committee Member	Outside Director	18/18 (100%)
5	Seiji Nishikawa [Reappointment] [Outside] [Independent]	Male	69	3	Nomination and Compensation Committee Member Effectiveness Evaluation Committee Member	Outside Director	18/18 (100%)

Notes:

1. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
2. “Years in office” shows the number of years in office as of the conclusion of this Meeting.
3. “Duties of the Committee” indicates members of the Nomination and Compensation Committee and the Board of Directors’ the Effectiveness Evaluation Committee.
4. If this proposal is approved, Mr. Ryuhei Kanatani will be appointed as Chairman and Representative Director, and Mr. Tetsuya Takahashi will be appointed as Representative Director, President and Executive Officer at the Board of Directors meeting to be held after this Meeting.

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
1	 <p>Ryuhei Kanatani Male (January 30, 1956) 69  [Reappointment]</p>	<p>March 1979 Joined the Company  July 1993 Manager of General Affairs Department  June 1998 Director, Manager of General Affairs Department  March 2002 Director, General Manager of Sales Planning Division  June 2002 Managing Director, General Manager of Sales Division  April 2006 Managing Director, General Manager of Management Planning Division  October 2006 Senior Managing Director, General Manager of Management Planning Division  July 2008 Representative Director, Senior Managing Director, General Manager of Management Planning Division  June 2011 Representative Director, Vice President, General Manager of Management Planning Division  June 2016 Representative Director, Vice President and Executive Officer, General Manager of Business Administration Headquarters and Manager of Management Planning Department  June 2019 Representative Director, President and Executive Officer (to present)</p>
	Years in office	27
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held [of which, number of shares to be issued under stock compensation plan]	66,900 [29,300]
<p>[Reason for nomination as candidate for Director]  Since joining the Company, Ryuhei Kanatani has primarily been engaged in general affairs and human resources operations. Following his appointment as Representative Director, Vice President and Executive Officer in June 2011, he has served as General Manager of the Business Administration Headquarters and Compliance Supervisory Manager, etc., contributing to the Company's growth from a position supervising overall management. Since his appointment as Representative Director, President and Executive Officer in June 2019, he has demonstrated strong leadership in driving the Company's management while providing appropriate oversight. The Company believes that his management experience and high-level insight will enable him to continue supervising business execution, strengthen corporate governance, and contribute to the enhancement of corporate value. The Company, therefore, nominated him as a candidate for Director. If he is elected as Director, he is expected to be appointed Chairman and Representative Director at the Board of Directors meeting to be held following this Meeting.</p>		

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
2	 <p>Tetsuya Takahashi Male (November 24, 1962) 62  [Reappointment]</p>	<p>March 1986 Joined the Company  June 2013 Manager of Tokyo &amp; Tokai Sales Department  June 2016 Executive Officer, Assistant General Manager in charge of Store Sales of Sales Division and Assistant General Manager of Local Sales Support Division  October 2016 Executive Officer, General Manager of Sales Division and Manager of Kansai Sales Department  June 2017 Director and Executive Officer, General Manager of Sales Division  June 2019 Director and Managing Executive Officer, General Manager of Sales Division  March 2020 Director and Managing Executive Officer, General Manager of Sales Division and Manager of Internet Sales Department  April 2021 Director and Senior Managing Executive Officer, in charge of Sales Strategy  June 2021 Representative Director and Senior Managing Executive Officer, in charge of Sales Strategy  April 2023 Representative Director, Vice President and Executive Officer, in charge of Sales Strategy (to present)</p>
	Years in office	8
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held [of which, number of shares to be issued under stock compensation plan]	28,901 [19,501]
	<p>[Reason for nomination as candidate for Director]  Tetsuya Takahashi has extensive experience in sales since joining the Company. He has served Executive Officer since June 2016 and as Representative Director, Vice President and Executive Officer since April 2023. As the executive in charge of sales strategy, he has led the formulation of the medium-term management plan, contributed to the expansion of the Group's business foundation, and promoted its growth strategy. The Company believes that his management experience and high-level insight will enable him to continue supervising business execution, strengthen corporate governance, and contribute to the enhancement of corporate value. The Company, therefore, nominated him as a candidate for Director. If he is elected as Director, he is expected to be appointed Representative Director, President and Executive Officer at the Board of Directors meeting to be held following this Meeting.</p>	

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
3	 Keiko Yamahira Female (November 30, 1960) 64  [Reappointment]  [Outside]  [Independent]	April 1983    Joined Kubota House Co., Ltd. (currently Sanyo Homes Corporation) April 2010    Executive Officer, SANYO Homes Corporation (currently Sanyo Homes Corporation)  June 2011    Director, Managing Executive Officer June 2012    Director, SANYO Reform Corporation (currently Sanyo Reform Corporation)  June 2013    Director & Senior Managing Executive Officer, Sanyo Homes Corporation Director, Sanyo Homes Community Corporation June 2015    Director, President and Executive Officer, Sanyo Homes Corporation April 2017    Chairman and Representative Director, Sanyo Homes Community Corporation  June 2019    Outside Director, Fujitec Co., Ltd. Outside Director, the Company (to present) June 2021    Outside Director, Takara Leben Co., Ltd. (currently MIRARTH HOLDINGS, Inc.) (to present) June 2022    Outside Board Director, Shinagawa Refractories Co., Ltd. (to present) June 2024    Outside Director, MARUICHI STEEL TUBE LTD. (to present)
	Years in office	6
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held	800
	[Reason for nomination as candidate for Outside Director and outline of expected roles] Keiko Yamahira has many years of experience in the housing and renovation industry and has been deeply involved in corporate management. Since June 2019, she has been involved in the Company's management and has fulfilled her duties as an Outside Director. In particular, she provides supervision and advice on the execution of Directors' duties from a professional perspective on corporate management. The Company believes that her experience and achievements will enable her to continue to play an important role in supervising management from an independent and objective standpoint and to contribute to enhancing corporate value. The Company, therefore, nominated her as a candidate for Outside Director.	

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
4	 <p>Junko Kawano (Family name in the family register: Yamanouchi) Female (September 30, 1963) 61</p> <p>[Reappointment]</p> <p>[Outside]</p> <p>[Independent]</p>	<p>April 1986      Joined Recruit Co., Ltd.</p> <p>January 1997    Head Editor of “Travail,” Japan’s first career change magazine for women</p> <p>July 2008        Joined Sumitomo Corporation</p> <p>February 2013   Director, Institute of Global Human Capital Strategies Co., Ltd.</p> <p>March 2018      Established Kawano Junko Office (to present) Executive Officer and Chief Marketing Officer, Life Shift Japan Co., Ltd.</p> <p>September 2019 Board Member, Non-Profit Organization Tokyo International Progressive School (to present)</p> <p>April 2020       Senior Researcher, Keio Research Institute at SFC (to present)</p> <p>June 2021        Outside Director, the Company (to present)</p> <p>December 2021   Director and Chief Marketing Officer, Life Shift Japan Co., Ltd. (to present)</p> <p>April 2022        Outside Director, DyDo Group Holdings, Inc. (to present)</p>
	Years in office	4
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held	—
	<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Junko Kawano has been engaged in consulting services focused on promoting women’s empowerment and providing management advice aimed at enhancing customer value. She also has experience in corporate management. Since June 2021, she has been involved in the Company’s management and has fulfilled her duties as an Outside Director. In particular, she provides supervision and advice on the execution of Directors’ duties from a professional perspective in the areas of sales, marketing and diversity. The Company believes that her experience and achievements will enable her to continue to play an important role in supervising management from an independent and objective standpoint and to contribute to enhancing corporate value. The Company, therefore, nominated her as a candidate for Outside Director.</p>	

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
5	 Seiji Nishikawa Male (March 8, 1956) 69  [Reappointment]  [Outside]  [Independent]	April 1980      Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) April 2000      Chief Engineer, Information Systems Department, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) October 2001    Executive Chief Engineer, Information Systems Department June 2003      Department Manager, Information Systems Department June 2006      Executive Officer and Department Manager, Information Systems Department June 2012      Managing Executive Officer and Chief Information Officer and Department Manager, Information Systems Department June 2013      President and Chief Executive Officer, DOCOMO Systems, Inc. March 2021     Member of the Mizuho Bank's independent System Failure Special Investigative Committee June 2022      Outside Director, the Company (to present)
	Years in office	3
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held	700
[Reason for nomination as candidate for Outside Director and outline of expected roles] Seiji Nishikawa has a broad range of insight gained from his key role in the information systems division of a major telecommunications company, as well as corporate management experience as a director and president of its affiliate. Since June 2022, he has been involved in the Company's management and has fulfilled his duties as an Outside Director. In particular, he provides supervision and advice on the execution of Directors' duties from a professional perspective in ICT/DX. The Company believes that his experience and achievements will enable him to continue to play an important role in supervising management from an independent and objective standpoint and to contribute to enhancing corporate value. The Company, therefore, nominated him as a candidate for Outside Director.		

Notes:

1. There are no special interests between any of the candidates for Director and the Company.
2. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
3. Junko Kawano's name in the family registry is Junko Yamanouchi.
4. Keiko Yamahira, Junko Kawano, and Seiji Nishikawa are candidates for Outside Directors. The Company has registered them with the Tokyo Stock Exchange as independent directors.
5. Keiko Yamahira will have served as the Company's Outside Director for six years at the conclusion of this Meeting.
6. Junko Kawano will have served as the Company's Outside Director for four years at the conclusion of this Meeting.
7. Seiji Nishikawa will have served as the Company's Outside Director for three years at the conclusion of this Meeting.
8. The Company has entered into agreements with Keiko Yamahira, Junko Kawano, and Seiji Nishikawa to limit their liability provided in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to these agreements is the minimum amount stipulated by laws and regulations.  
If this proposal is approved as originally proposed at this Meeting, the Company intends to continue the existing agreements with them.
9. The Company has entered into a directors and officers liability insurance contract as provided by Article 430-3, Paragraph 1 of the Companies Act to insure all Directors. The contract covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving claims for the pursuit of such liability. If the candidates are appointed as Director, each of them will be insured under the insurance contract, which is to be renewed during their terms of office under the same terms and conditions.

**Proposal 5:** Election of Three (3) Directors who are Audit and Supervisory Committee Members

Subject to approval of Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee),” the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The proposal shall become effective subject to the effectiveness of the amendment to the Articles of Incorporation set forth in Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)”

The Company has obtained the prior consent of the Board of Auditors to this proposal.

The candidates for Director are as follows:

No.	Name	Gender	Age	Director / Auditor Years in office	Current positions and responsibilities at the Company		Attendance at the Board of Directors meetings	Attendance at the Board of Auditors meetings
					Duties of the Committee	Current positions and responsibilities at the Company		
1	Kinya Naito [New appointment] [Outside] [Independent]	Male	69	Director 8	Nomination and Compensation Committee Chair Effectiveness Evaluation Committee Chair	Outside Director	18/18 (100%)	-/- meetings (-%)
2	Kazumi Yoshikawa [New appointment] [Outside] [Independent]	Female	53	Auditor 2	Effectiveness Evaluation Committee Member	Outside Auditor	18/18 (100%)	14/14 (100%)
3	Kazuko Otsuki [New appointment] [Outside] [Independent]	Female	52	Auditor 1	Effectiveness Evaluation Committee Member	Outside Auditor	14/14 (100%)	11 /11 meetings (100%)

Notes:

1. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
2. “Years in office” shows the number of years in office as of the conclusion of this Meeting.
3. “Duties of the Committee” indicates members of the Nomination and Compensation Committee and the Board of Directors’ the Effectiveness Evaluation Committee.
4. Kazuko Otsuki’s attendance at the Board of Directors and Board of Auditors meetings since her appointment as an Auditor in June 2024 is presented.

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
1	 <p>Kinya Naito Male (November 24, 1955) 69</p> <p>[New appointment]</p> <p>[Outside]</p> <p>[Independent]</p>	<p>April 1986 Admitted to the bar</p> <p>March 1999 Established Naito Law Office</p> <p>June 2003 Outside Audit &amp; Supervisory Board Member, Ikko Corporation (currently J Trust Co., Ltd.)</p> <p>February 2004 Established Mizuho Partners Law Office</p> <p>April 2012 Vice President, Osaka Bar Association Executive Governor, Kinki Federation of Bar Associations</p> <p>April 2014 Part-time Auditor, National University Corporation Osaka University</p> <p>June 2016 Outside Auditor, the Company Outside Director, FALCO HOLDINGS Co., Ltd.</p> <p>April 2017 Established Naito Law Office (to present)</p> <p>June 2017 Outside Director, the Company (to present)</p> <p>April 2019 Member of Personnel Inspection Commission, Osaka Prefectural Government</p> <p>January 2020 Chairman, Development Investigation Committee, Osaka City</p>
	Years in office as Director	8
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Number of shares of the Company held	4,000
<p>[Reason for nomination as candidate for Outside Director (Audit and Supervisory Committee Member) and outline of expected roles]</p> <p>Kinya Naito has advanced expertise and extensive experience as an attorney-at-law, and possesses experience and high-level insight as an Outside Director at other companies. Since June 2017, he has been involved in the Company's management as an Outside Director and has fulfilled his duties. In particular, he provides supervision and advice on the execution of Directors' duties from a professional perspective in the areas of legal affairs, corporate governance, and personnel and labor. The Company believes that, by leveraging his experience, insight, and achievements, he will be able to appropriately fulfill his auditing and supervisory duties from an independent and objective standpoint and contribute to strengthening the Group's governance and enhancing corporate value. The Company, therefore, nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
2	 Kazumi Yoshikawa Female August 16, 1971 53  [New appointment]  [Outside]  [Independent]	December 1995    Joined Chuo Audit Corporation May 1999    Registered as a certified public accountant April 2002    Registered as a tax accountant August 2007    Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) December 2019    Established Yoshikawa Kazumi Certified Public Accountant Office (to present) September 2020    Director, SAKA NO TOCHU Co., Ltd. June 2022    Outside Auditor, VALTES Co., Ltd. (currently VALTES HOLDINGS CO., LTD.) September 2022    Outside Auditor, Ubie, Inc. (to present) June 2023    Outside Director (Audit and Supervisory Committee Member), VALTES Co., Ltd. (currently VALTES HOLDINGS CO., LTD.) (to present) June 2023    Outside Auditor, the Company (to present)
	Years in office as Auditor	2
	Attendance at the Board of Directors meetings	18 out of 18 meetings (100%)
	Attendance at the Board of Auditors meetings	14 out of 14 meetings (100%)
	Number of shares of the Company held	201
<p>[Reason for nomination as candidate for Outside Director (Audit and Supervisory Committee Member) and outline of expected roles]</p> <p>Kazumi Yoshikawa has advanced expertise in accounting and finance as a certified public accountant, along with experience in audit operations through corporate audits and consulting work. In addition to her many years of involvement in diversity-related activities, she also has experience serving as a Director and Outside Auditor at other companies. Since June 2023, she has appropriately fulfilled her duties as an Outside Auditor of the Company. The Company believes that, by leveraging her experience, insight, and achievements, she will be able to appropriately fulfill her auditing and supervisory duties from an independent and objective standpoint and contribute to strengthening the Group's governance and enhancing corporate value. The Company, therefore, nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

No.	Name (Date of birth)	(positions, responsibilities, and significant concurrent positions)
3	 <p data-bbox="193 488 488 667">Kazuko Otsuki (Family name in the family register: Imaoka) Female (August 7, 1972) 52</p> <p data-bbox="236 703 443 734">[New appointment]</p> <p data-bbox="288 770 391 801">[Outside]</p> <p data-bbox="264 837 414 869">[Independent]</p>	<p data-bbox="512 248 1401 280">October 1996 Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p data-bbox="512 280 1125 311">May 2000 Registered as a certified public accountant</p> <p data-bbox="512 311 1177 365">December 2015 Resigned from Deloitte Touche Tohmatsu LLC</p> <p data-bbox="512 365 1406 427">January 2016 Joined Imaoka Certified Public Accountant and Certified Public Tax Accountant Office (to present)</p> <p data-bbox="512 427 1406 490">September 2021 Auditor, Local Incorporated Administrative Agency Osaka Research Institute of Industrial Science and Technology (to present)</p> <p data-bbox="512 490 1353 521">March 2023 Outside Director, SAKATA INX CORPORATION (to present)</p> <p data-bbox="512 521 1347 575">June 2023 Outside Director (Audit and Supervisory Committee Member), ISHIHARA CHEMICAL CO.,LTD. (to present)</p> <p data-bbox="512 575 1129 607">June 2024 Outside Auditor, the Company (to present)</p>
	Years in office as Auditor	1
	Attendance at the Board of Directors meetings	14 out of 14 meetings (100%)
	Attendance at the Board of Auditors meetings	11 out of 11 meetings (100%)
	Number of shares of the Company held	—
<p data-bbox="193 1088 1465 1151">[Reason for nomination as candidate for Outside Director (Audit and Supervisory Committee Member) and outline of expected roles]</p> <p data-bbox="193 1151 1465 1352">Kazuko Otsuki has advanced expertise and experience in accounting and finance as a certified public accountant and has a deep insight into diversity and ESG management through her experience as an outside officer. Since June 2024, she has appropriately fulfilled her duties as an Outside Auditor of the Company. The Company believes that, by leveraging her experience, insight, and achievements, she will be able to appropriately fulfill her auditing and supervisory duties from an independent and objective standpoint and contribute to strengthening the Group's governance and enhancing corporate value. The Company, therefore, nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

Notes:

1. There are no special interests between any of the candidates for Director and the Company.
2. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
3. Kazuko Otsuki's name in the family registry is Kazuko Imaoka.
4. Kinya Naito, Kazumi Yoshikawa, and Kazuko Otsuki are candidates for Outside Directors (Audit and Supervisory Committee Members). The Company has registered them with the Tokyo Stock Exchange as independent directors.
5. Kinya Naito will have served as the Company's Outside Director for eight years at the conclusion of this Meeting.
6. Kazumi Yoshikawa will have served as the Company's Outside Director for two years at the conclusion of this Meeting.
7. Kazuko Otsuki will have served as the Company's Outside Director for one year at the conclusion of this Meeting.
8. The Company has entered into agreements with Kinya Naito, Kazumi Yoshikawa, and Kazuko Otsuki to limit their liability provided in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to these agreements is the minimum amount stipulated by laws and regulations.  
If this proposal is approved as originally proposed at this Meeting, the Company intends to continue the existing agreements with them under the same terms and conditions.
9. The Company has entered into a directors and officers liability insurance contract as provided by Article 430-3, Paragraph 1 of the Companies Act to insure all Directors. The contract covers damages that may arise due to insured Directors assuming liability for their execution of duties or receiving claims for the pursuit of such liability. If the candidates are appointed as Director (Audit and Supervisory Committee Member), each of them will be insured under the insurance contract, which is to be renewed during their terms of office under the same terms and conditions.
10. Kazumi Yoshikawa is scheduled to assume the position of Chairperson of the Outside Corporate Officer Committee of the Japanese Institute of Certified Public Accountants Kinki Chapter in July 2025.

Reference: Skills Matrix of Director Candidates

This is the management structure in the event that Proposal 3, Proposal 4, and Proposal 5 are approved as initially proposed.

Areas of specialization and experience of the Director candidates are as follows.

Position	Name	Management Skills							Skills related to Business Specialization			
		Corporate management	Finance & Accounting/ Capital policies	Legal affairs/ Governance	Management planning / Business strategy	Personnel & Labor/ Diversity	ICT/DX	Environment/ Energy	Home appliance retail business	Living environment business	Marketing	Logistics
Chairman and Representative Director	Ryuhei Kanatani	•	•	•	•	•		•	•		•	
Representative Director President and Executive Officer	Tetsuya Takahashi	•			•		•	•	•	•	•	•
Outside Director	Keiko Yamahira	•	•		•	•		•		•	•	
Outside Director	Junko Kawano	•			•	•					•	
Outside Director	Seiji Nishikawa	•			•	•	•					
Outside Director (Audit and Supervisory Board Member)	Kinya Naito	•		•		•						
Outside Director (Audit and Supervisory Board Member)	Kazumi Yoshikawa	•	•	•		•						
Outside Director (Audit and Supervisory Board Member)	Kazuko Otsuki	•	•	•		•						

## Reasons for selection of skill sets

Skill Sets		Reason for selection
Management Skills	Corporate management	To achieve the sustainable growth of the Group and increase corporate value through the realization of the management philosophy, “Connecting People and Society to the Future with a Smile,” the Company needs a broad range of knowledge and experience to identify changes in the business environment and formulate appropriate management strategies from a long-term perspective.
	Finance & Accounting/ Capital policies	The Company requires abundant knowledge and experience to ensure financial soundness and balance for growth investments and shareholder return through efficient fund management and creating new social value that will lead to the Group’s sustainable growth and increase corporate value.
	Legal affairs/ Governance	To enhance corporate value through the stable operation of the Group’s business, the Company requires a broad range of legal knowledge, including social norms and corporate ethics, and the skills to build an effective corporate governance system that will lead the implementation of management strategies to sustainable growth of the Group.
	Management planning / Business strategy	Toward sustainable growth and enhancement of the Group’s corporate value, the Company needs knowledge and experience to build a solid revenue base through effective reorganization of its business portfolio and to establish an alliance system to create new social value.
	Personnel & Labor Diversity	The Company needs skills leading the fostering of “human resources,” the source of the Group’s organizational capability to manage risks brought by social changes, seize new business opportunities, and lead the Group to sustainable growth. The Company demands knowledge and experience in managing “diverse human resources” to connect the advancement of employee engagement with the creation of new customer value and the enhancement of corporate value.
	ICT/DX	To optimize data flow from the perspectives of customer convenience, new experience value, improving operational efficiency, prompt and accurate management decisions, business continuity, and security, the Company demands knowledge and experience to be well-versed in digital technology and lead innovation.
	Environment/ Energy	The Company needs knowledge and experience to promptly incorporate medium- to long-term “risks” and “opportunities” brought by environmental issues, such as climate change and energy problems into its management strategies and create new social value by “Achieving carbon neutrality in the home,” which is the goal of the Group.
Skills related to Business Specialization	Home appliance retail business	The Company requires knowledge and experience in the “home appliance retail business,” its original business and largest revenue base, to position it as our core business over the medium to long term and to develop highly compatible related businesses that can leverage its infrastructure to foster new revenue-generating businesses.
	Living environment business	The Company demands knowledge and experience in its living environmental business, which is highly compatible with its home appliance retail business regarding product functionality and business infrastructure such as delivery, installation, and construction (at customers’ homes). This business is also a pillar of new social value, “Helping to strengthen the resilience of an aging society,” which the Group strives to achieve.
	Marketing	The Company needs industry-specific marketing skills to implement varied marketing strategies that match customers of all generations and lifestyles but also accumulate a vast amounts of customer information and providing product information based on recalls and other “product safety” measures, in addition to after-sales service. The Company also values the ability to promote marketing automation and OMO (Online Merges with Offline) based on customer purchase trends and profiling.
	Logistics	The Company demands knowledge and experience in industry-specific logistics to handle large and heavy products and products requiring installation and construction, stockpile products, and supply to business locations such as operating stores and distribution centers. The Company values the necessary knowledge and experience to supervise a logistics infrastructure with complex functions, such as home delivery in the EC business, and take charge of the arteries of the “home appliance retail business.”

## Policies and Procedures for Election of Directors

- The selection of Directors is based on their knowledge, understanding, and experience of the Company's management policies, business operations, and issues, and on their potential to contribute to the enhancement of the Company's corporate value over the medium to long term. The Nomination and Compensation Committee, chaired by an independent outside director with a majority of the members, deliberates in consultation with the Board of Directors, and the Board of Directors makes decisions based on the Committee's report. The appointment of Directors who are Audit and Supervisory Committee Members shall be determined by the Board of Directors with the consent of the Audit and Supervisory Committee.
- With respect to Outside Directors, from the perspective of strengthening the supervisory function of the execution of duties or appropriately auditing the execution of duties by Directors, the Company places importance on the fact that they are independent human resources with no risk of conflict of interest with general shareholders and have abundant experience and deep insight in their respective fields of expertise.
- In our company, the criteria for determining independence are based on satisfying both the requirements of the Companies Act for outside officers and the criteria for independence required by the Stock Exchange, and appropriate persons who can contribute to the enhancement of corporate value and shareholder interests are nominated as candidates for outside officers and registered with the Stock Exchange as independent officers.  
The criteria for determining independence are deliberated by the Nomination and Compensation Committee, which receives advice from the Board of Directors from time to time, and the Board of Directors decides on the criteria based on the report of the Committee.

## Approach to the Skills of Directors

- The Joshin Denki Group's core businesses include retail business in the home appliance and entertainment fields in the Kansai, Tokai, Kanto, and Hokushinetsu areas, as well as the living environment business, including the construction of in-home infrastructure. The Group aims to achieve sustainable growth and increase corporate value over the medium to long term by establishing a sound and highly transparent corporate governance and internal control system.
- The Company aims to transition to a Company with an Audit and Supervisory Committee. Following the transition, the Board of Directors will make decisions on management policies and strategies, while significantly delegating authority over business execution. By strengthening the supervisory function over the execution of duties by Directors, the Company seeks to achieve sustainable growth and enhance corporate value.  
In order for the Board of Directors to properly fulfill its role, the Board of Directors as a whole must have the necessary skills based on the business content, operating organization, and governance structure of the Group, and these skills are constantly changing with the business environment.
- In order for the Board of Directors to appropriately make decisions on management policies and strategies and supervise the execution of duties by Directors, its members must have experience in "corporate management" as well as possess the skills necessary for management such as "finance and accounting, and capital policies," "legal affairs and governance," "management planning and business strategy," "personnel and labor, and diversity," "ICT/DX," and "environment and energy." In addition, industry-specific expertise is required in the "home appliance retail business," the "living environment business," and "marketing" and "logistics" that support their development.
- In addition to fulfilling their supervisory roles as Directors, the Company believes it is important that Directors who are Audit and Supervisory Committee Members possess the skills required of the Board of Directors mentioned above, particularly those related to "legal affairs" and "finance and accounting," in order for the Audit and Supervisory Committee to properly audit the execution of duties by Directors.

## Using the Skills Matrix to Improve the Effectiveness of the Board of Directors

Based on the belief that the diversity of the directors who compose the Board of Directors determines the effectiveness of the Board of Directors and has a significant impact on sustainable growth and enhancement of corporate value over the medium to long term, the Board of Directors regularly deliberates on the balance and diversity of the composition of the Board of Directors, including the knowledge, experience, and abilities of Directors, and identifies the skills required of Directors, which are published in the “Skills Matrix.”

The Company considers the “Skills Matrix” as a tool to appropriately ensure the skills and diversity of the Board of Directors by recruiting a wide range of human resources with strengths in specific fields. When appointing Directors, the Company will select candidates with the necessary skills and experience in light of the “Skills Matrix” and follow the procedures to be approved at the Annual General Meeting of Shareholders.

The Company uses the “Skills Matrix” as follows.

1. Identification of the necessary skills for the Board of Directors in light of the business strategy
2. Understanding the gap between the ideal composition of the Board of Directors and the current situation
3. Appointment of human resources with skills that Directors lack
4. Enhanced Director training for deficient skills
5. Utilization in succession plans for Directors
6. Utilization in succession plans for Executive Officers and other senior management

We believe that the “Skills Matrix” will play an important role in our Succession Plan, and we use it as a criterion for evaluating core human resources in order to develop candidates for executive director and CEO positions. We continuously provide training for current Directors, Executive Officers, and senior management in order to develop candidates for the next term. In particular, Executive Officers share a wide range of skills and knowledge required of Directors, including legal and governance issues, sales strategies, financial strategies, human resources strategies, and Group management at Executive Officer meetings, Sustainability Committee meetings, and Risk Management Committee meetings attended by Directors. In addition, the Board of Directors regularly receives reports on the results of the Executive Officers’ performance of their duties, and the Company takes sufficient time to evaluate and develop them as human resources capable of serving as Directors and CEO in the future.

**Proposal 6:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

Subject to approval of Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee),” the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes the election of one (1) substitute Director who is an Audit and Supervisory Committee Member in the event that the number of Directors who are Audit and Supervisory Committee Members is insufficient as stipulated by laws and regulations.

The Company has obtained the prior consent of the Board of Auditors to this proposal.

The proposal shall become effective subject to the effectiveness of the amendment to the Articles of Incorporation set forth in Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)”

The candidate for Substitute Director who will serve as an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)	
 <p>Yoichi Wakasugi Male (August 2, 1966) 58</p> <p>[New appointment]</p> <p>[Outside]</p> <p>[Independent]</p>	<p>April 1994</p> <p>April 2001</p> <p>May 2008</p> <p>April 2014</p> <p>October 2016</p> <p>April 2020</p> <p>March 2021</p>	<p>Admitted to the bar</p> <p>Joined OH-EBASHI LPC &amp; PARTNERS</p> <p>Partner (to present)</p> <p>Outside Audit &amp; Supervisory Board Member, PAL Co., Ltd. (currently PAL GROUP HOLDINGS Co., Ltd.)</p> <p>Part-time lecturer, Graduate School of Law, Kobe University (to present)</p> <p>Part-time lecturer, Faculty of Law, Kyoto University (to present)</p> <p>Vice President, Osaka Bar Association and Executive Director, Kinki Federation of Bar Associations</p> <p>Outside Director (Audit &amp; Supervisory Board Member), I-PEX Inc.</p>
Number of shares of the Company held	—	
<p>[Reason for nomination as candidate for Substitute Outside Director who will serve as an Audit and Supervisory Committee Member and outline of expected roles]</p> <p>In addition to his advanced expertise and experience as an attorney, Yoichi Wakasugi has served as an Outside Director and as a part-time lecturer at both the university and graduate school and possesses extensive experience and deep insight grounded in a broad perspective. The Company believes that, by leveraging these strengths, he will be able to appropriately fulfill his auditing and supervisory duties from an independent and objective standpoint and contribute to strengthening the Group’s governance and enhancing corporate value. The Company, therefore, nominated him as a candidate for Substitute Outside Director who will serve as an Audit and Supervisory Committee Member.</p>		

Notes:

1. There are no special interests between the candidate and the Company.
2. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
3. Yoichi Wakasugi is a candidate for Substitute Outside Director who will serve as an Audit and Supervisory Committee Member. Upon his appointment as an Outside Director who is an Audit and Supervisory Committee Member, the Company intends to register Yoichi Wakasugi with the Tokyo Stock Exchange as an independent director.
4. Upon his appointment as an Outside Director who is an Audit and Supervisory Committee Member, the Company intends to enter into an agreement with Yoichi Wakasugi to limit his liability provided in Article 427, Paragraph 1 of the Companies Act. The maximum amount of

liability pursuant to the agreement will be the minimum amount stipulated by laws and regulations.

5. The Company has entered into a directors and officers liability insurance contract as provided by Article 430-3, Paragraph 1 of the Companies Act to insure all Directors. The contract covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving claims for the pursuit of such liability. Upon his appointment as an Outside Director who is an Audit and Supervisory Committee Member, Yoichi Wakasugi will be insured under the insurance contract, which is to be renewed during his term of office under the same terms and conditions.

**Proposal 7:** Determination of the Total Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

It was resolved at the Company's 69th Annual General Meeting of Shareholders held on June 27, 2017 that the amount of annual compensation for the Directors shall not exceed 240 million yen per year. This amount has remained unchanged to date.

Subject to proposal 3, "Partial Amendment of the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)" being approved and resolved, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes to abolish the current amount of Directors' compensation and determine anew that the amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall not exceed 240 million yen per year, in accordance with the provisions of Articles 361, Paragraphs 1 and 2 of the Companies Act.

The Company has judged this proposal to be reasonable based on a comprehensive consideration of factors including the compensation for Outside Directors, officers' respective responsibilities, the scale of the Company's business, the officer compensation system, compensation benchmarks, the current number of officers, and future trends, and determined the same based on the advice of the Nomination and Compensation Committee.

The method adopted by the Company for determining the details of the Directors' individual compensation, etc. is set forth in section "3. Matters concerning Company Officers (5) Policy for determining compensation, etc. of Directors and Auditors" of the business report.

The said amount of compensation does not include employee salary portion of the remuneration of employees concurrently serving as Directors.

Of the Company's current nine (9) Directors (of whom four (4) are Outside Directors), and assuming that proposals 3 and 4 are approved and resolved as originally proposed, five (5) Directors (excluding Directors serving as Audit and Supervisory Committee Members) (of whom three (3) are Outside Directors) will be affected by this proposal.

This coming into effect of this proposal is subject to the coming into effect of the amendments to the Articles of Incorporation set forth in proposal 3, "Partial Amendment of the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)".

**Proposal 8:** Determination of the Total Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

Subject to proposal 3, “Partial Amendment of the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)” being approved and resolved, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes to determine that the amount of compensation for Directors serving as Audit and Supervisory Committee Members shall not exceed 72 million yen per year, which corresponds to the annual total of the monthly compensation for Auditors resolved at the Company’s 72nd Annual General Meeting of Shareholders held on June 23, 2020.

The Company has judged this proposal to be reasonable based on a comprehensive consideration of the scale of the Company’s business, the officer compensation system, compensation benchmarks, the current number of officers, and future trends, and determined the same based on the advice of the Nomination and Compensation Committee.

Assuming that proposals 3 and 5 are approved and resolved as originally proposed, three (3) Directors serving as Audit and Supervisory Committee Members will be affected by this proposal.

This coming into effect of this proposal is subject to the coming into effect of the amendments to the Articles of Incorporation set forth in proposal 3, “Partial Amendment of the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)”.

**Proposal 9:** Determination of the Amount and Details of Performance-Linked Stock Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

## **1. Reasons for this proposal and the grounds for the appropriateness of this compensation system**

The Company will transition to being a company with an audit and supervisory committee on the condition that Proposal 3 “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)” is accepted.

At its 69th Annual General Meeting of Shareholders held on June 27, 2017, the Company resolved to introduce a stock compensation plan (the “Plan”) using a trust for Directors (excluding Outside Directors) (this resolution is hereinafter the “Previous Resolution”). Since then, the Company has operated the Plan until the present time. However, in accordance with the transition to being a company with an audit and supervisory committee, the Company requests the approval of shareholders to re-designate the remuneration intended for the Plan as remuneration for Directors (excluding Directors who are Audit and Supervisory Committee members).

This remuneration, like the current remuneration under the Plan, will be separate from the remuneration to be approved in Proposal 7 “Determination of the Total Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members).”

An outline of the details of the Company's policy for determining the details of compensation, etc. of individual Directors is described in the Business Report, 3. Matters Concerning Officers of the Company (5) Policy for Determining Compensation, etc. of Directors and Auditors. Subject to the approval of this Proposal, Proposal 3 and Proposal 7, the Company plans to make changes as described in this Proposal and Proposal 7.

This proposal seeks the approval of shareholders once again in conjunction with the Company's transition to a company with an audit and supervisory committee. The substantive content of this proposal is the same as that approved by the previous resolution. In addition, the fact that Directors should raise their awareness of the need to contribute to improving business performance and increasing corporate value over the medium to long term will remain unchanged after the Company transitions to being a company with an audit and supervisory committee. Furthermore, the contents of this proposal are both necessary and reasonable in order to provide remuneration in accordance with the policy for determining the content of remuneration, etc. for individual directors, which is scheduled to be changed as described above. Based on the above, we believe that the contents of this proposal are appropriate.

At present, five (5) Directors are eligible for the Plan. However, if Proposal 3, “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee, etc.)” and Proposal 4, “Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee members)” are approved as proposed, the number of Directors eligible for the Plan (excluding Directors who are Audit and Supervisory Committee members and Outside Directors) will be reduced to two (2).

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in “Partial Amendment to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee, etc.)” goes into effect.

## **2. The amount and content of compensation in the Plan**

### **(1) Overview of the Plan**

This Plan is a stock compensation plan under which a trust (already established. Hereinafter, the “Trust”) established by monetary contributions from the Company acquires shares of the Company's common stock (hereinafter, “the Company's Shares”), and the Company's Shares corresponding to the number of points granted by the Company to each Director are granted to each Director through this Trust.

In principle, Directors shall receive the Company's Shares upon their retirement (i.e., when they cease to be either a Director who is not a member of the Audit and Supervisory Committee or a Director who is a member of the Audit and Supervisory Committee; the same shall apply hereinafter).

(i) People eligible for the Plan (Note 1)	Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors) of the Company
(ii) Maximum amount of money to be contributed by the Company to fund the purchase of the Company's Shares necessary for delivery under the Plan during the extended trust period (approximately three years from October 2023 to September 2026) (Note 2)	Total of 300 million yen
(iii) Method of purchasing the Company's Shares (if any in the future)	Method of disposal of treasury shares or method of acquisition from the stock exchange market" (including off-floor trading)
(iv) Maximum total number of points granted to an eligible person (i)	50,000 points per fiscal year
(v) Criteria for granting points	Points to be granted in accordance with position and degree of achievement of performance targets, etc.
(vi) Timing of delivery of the Company's Shares to an eligible person (i)	In principle, at the time of a Director's retirement

Notes:

1. As stipulated in the Previous Resolution, Directors excluding Outside Directors are covered until the Company transitions to a company with an audit and supervisory committee.
2. As described in (2) below, the trust period of the Trust has already been extended.

(2) Maximum amount of money to be contributed by the Company

The Company has established the Trust with an initial trust period of approximately three years beginning in September 2017 and has contributed funds to the Trust within the scope of the Previous Resolution for the purchase of the Company's Shares as required to be delivered under the Plan. Subsequently, the Company extended the trust period for approximately three years (extended trust period: from October 2023 to September 2026) and, in conjunction with the extension, made an additional contribution to the Trust within the scope of the Previous Resolution to fund the acquisition of the Company's Shares as required to be delivered under the Plan. The Trust acquires the Company's Shares, using money in the Trust as the underlying capital. However, if the number of the Company's Shares in the Trust falls short of the number of shares expected to be delivered under the Plan, and the money in the Trust is insufficient to purchase a sufficient quantity of the Company's Shares to make up for the shortfall, the Company may additionally contribute funds to the Trust, with which the Trust may then acquire additional shares of the Company's Shares. However, any additional contributions that the Company makes to the Trust to fund the purchase of the Company's Shares shall be made within the maximum amount so that the total amount of contributions shall not exceed 300 million yen during the aforementioned extended trust period (approximately three years from October 2023 to September 2026).

Moreover, any time the trust period expires, the Company's Board of Directors may, by its own resolution, further extend the trust period for a period not exceeding approximately 3 years (including cases where the trust period is effectively extended by transferring the trust assets of the Trust to a separate trust to be established by the Company for the same purpose as the Trust; the same shall apply hereinafter), allowing the System to continue to remain in effect. In such cases, the Company shall, within the extended trust period, additionally place additional funds (Note 3) in trust with the Trust for the purchase the Company's Shares (Note 4) that are required for delivery under the Plan, and shall continue to grant points and deliver the Company's Shares as described in (3) below (the same shall apply thereafter).

Notes:

3. The maximum amount shall be the number of years of the extended trust period multiplied by 100 million yen.
4. The amount of money that the Company will actually place in additional trust for the Trust will be the sum of the aforementioned funds for purchasing the Company's Shares and estimated necessary expenses such as trust fees and trust management fees. In addition, the Company has introduced a similar stock compensation plan for officers who have a delegated relationship with the Company, and the Company may place additional funds in trust to acquire the Company's Shares as necessary for delivery to the executive officers in accordance with the plan. Even if the Plan is not continued as described above, if there are Directors who have already been granted points but have not yet retired at the expiration of the trust period, then the trust period of the Trust may be extended until such Directors retire and the delivery of the Company's Shares is completed.

(3) Method of calculating the number of the Company's Shares to be granted to Directors and the maximum amount of the Company's Shares

(i) Method of granting points to Directors

The Company shall grant points to each Director according to his/her position and the degree of achievement of performance targets, etc., in accordance with the Share Delivery Regulations determined by the Company's Board of Directors and on the point granting date during the Trust Period, as stipulated in the Share Delivery Regulations. After the conclusion of this Annual General Meeting of Shareholders, points for the execution of duties up to the conclusion of this Annual General Meeting of Shareholders may be granted within the scope approved at the previous Annual General Meeting of Shareholders.

However, the total number of points to be granted to Directors by the Company shall not exceed 50,000 points per fiscal year.

(ii) Delivery of the Company's Shares corresponding to the number of points granted

Directors shall receive the Company's Shares according to the procedure (iii) described below in proportion to the number of points granted in (i) above. However, in the event that a Director retires for personal reasons, etc., all or part of the points granted up to that point shall be forfeited by resolution of the Board of Directors of the Company, and no shares of the Company commensurate with the forfeited points shall be delivered to the Director.

One (1) point shall correspond to one (1) share of the Company's Shares. However, in the event of a stock split, stock consolidation, or other event in which it is deemed reasonable to adjust the number of shares to be delivered, the number of shares per point shall be adjusted in accordance with such split or consolidation ratio.

(iii) Delivery of the Company's Shares to Directors

Every Director shall, in principle, acquire the beneficiary right of the Trust by following the prescribed procedures at the time of his/her resignation as a Director, and shall receive the Company's Shares mentioned in (ii) above from the Trust as a beneficiary of the Trust.

However, a certain percentage of the Company's Shares may be sold and converted into cash by the Trust for the purpose of the Company withholding funds for the payment of withholding income tax, etc., to be delivered in cash in lieu of the Company's Shares. In addition, in the event that the Company's Shares in the Trust are converted into cash, such as when the Company's Shares in the Trust are acquired through a tender offer and settled, such Shares may be delivered in cash in lieu of the Company's Shares.

(4) Exercise of voting rights

Voting rights corresponding to the Company's Shares in the Trust will not be exercised uniformly based on the instructions of the trust manager, who is independent of the Company and the Company's officers. Through this arrangement, the Company intends to ensure the neutrality of the management of the Company with respect to the exercise of the voting rights attached to the Company's Shares in the Trust.

(5) Treatment of dividend

The Trust will receive the dividends of the Company's shares held in the Trust and allot such dividends to the payment of the acquisition price of the Company's Shares, the trust fees for the trustee of the Trust, and other purposes.